

USAID/BOLIVIA

ACTION PLAN

FY 1994 - 1995

FEBRUARY, 1993

FY 1994-FY 1995 ACTION PLAN
USAID/BOLIVIA

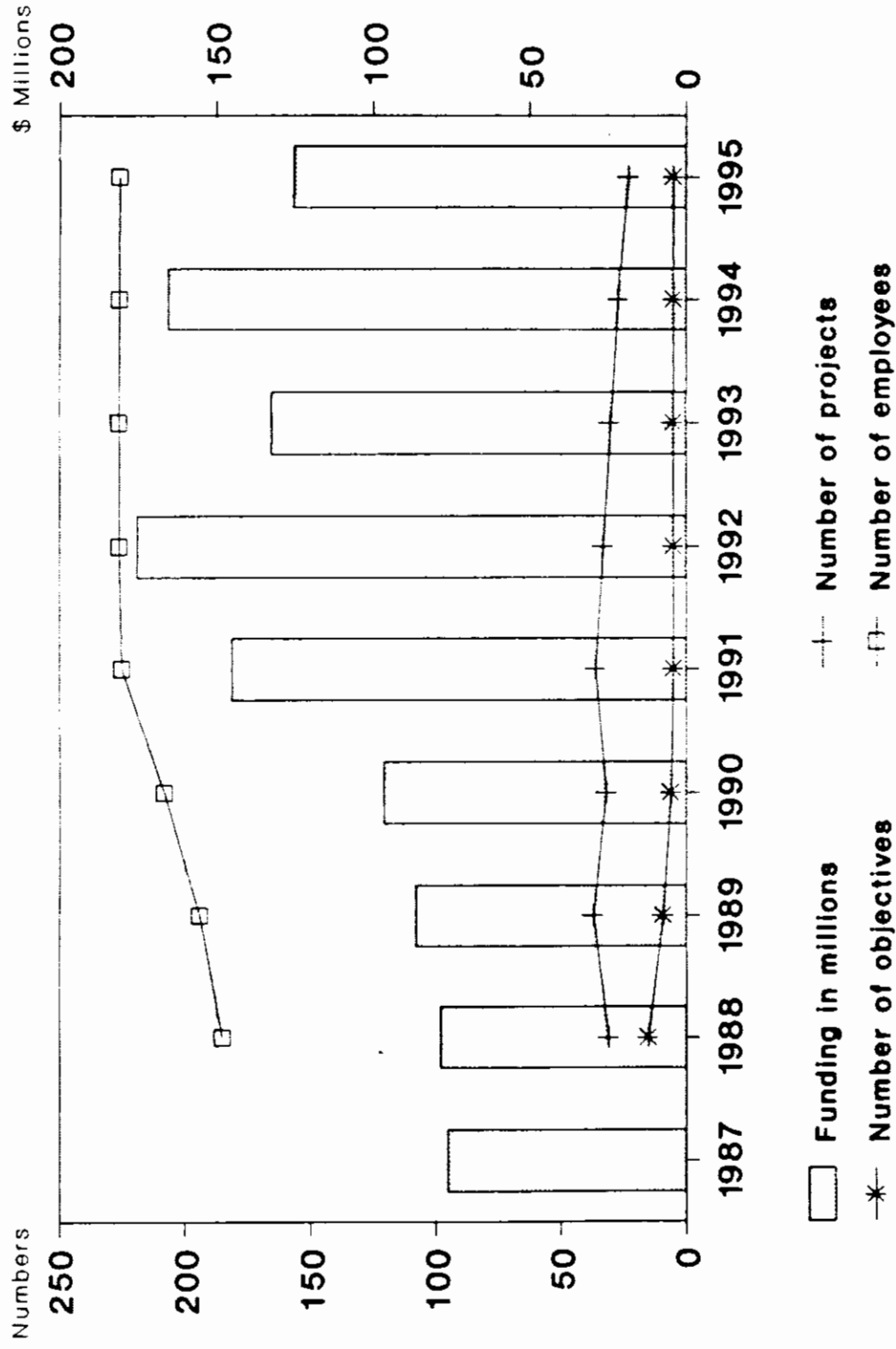
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Overview



OVERVIEW

USAID/Bolivia's five strategic objectives directly support the overall goals of the LAC Bureau as fully described in the Program Objectives Document (POD) approved by Washington last year. This Action Plan presents accomplishments through FY 1992, and incorporates the strategy for USAID to fulfill its contribution to the Country Team's Mission Programs and Plans (MPP) document submitted to the State Department in January 1993. USAID has major responsibilities under each of the three goals of the MPP: 1) Nurture the democratic process; 2) Encourage economic stability and growth; and 3) Eliminate the illegal coca/cocaine economy.

Within this context, our Action Plan is organized pursuant to our five interrelated strategic objectives, as follows.

1. Bolivian economy transformed from significant dependence on coca/cocaine production.
2. Increased non-coca trade.
3. Improved effectiveness and accessibility of key democratic institutions and practices.
4. Improved family health throughout Bolivia.
5. Reduced degradation of forest, soil and water resources and biological diversity protected.

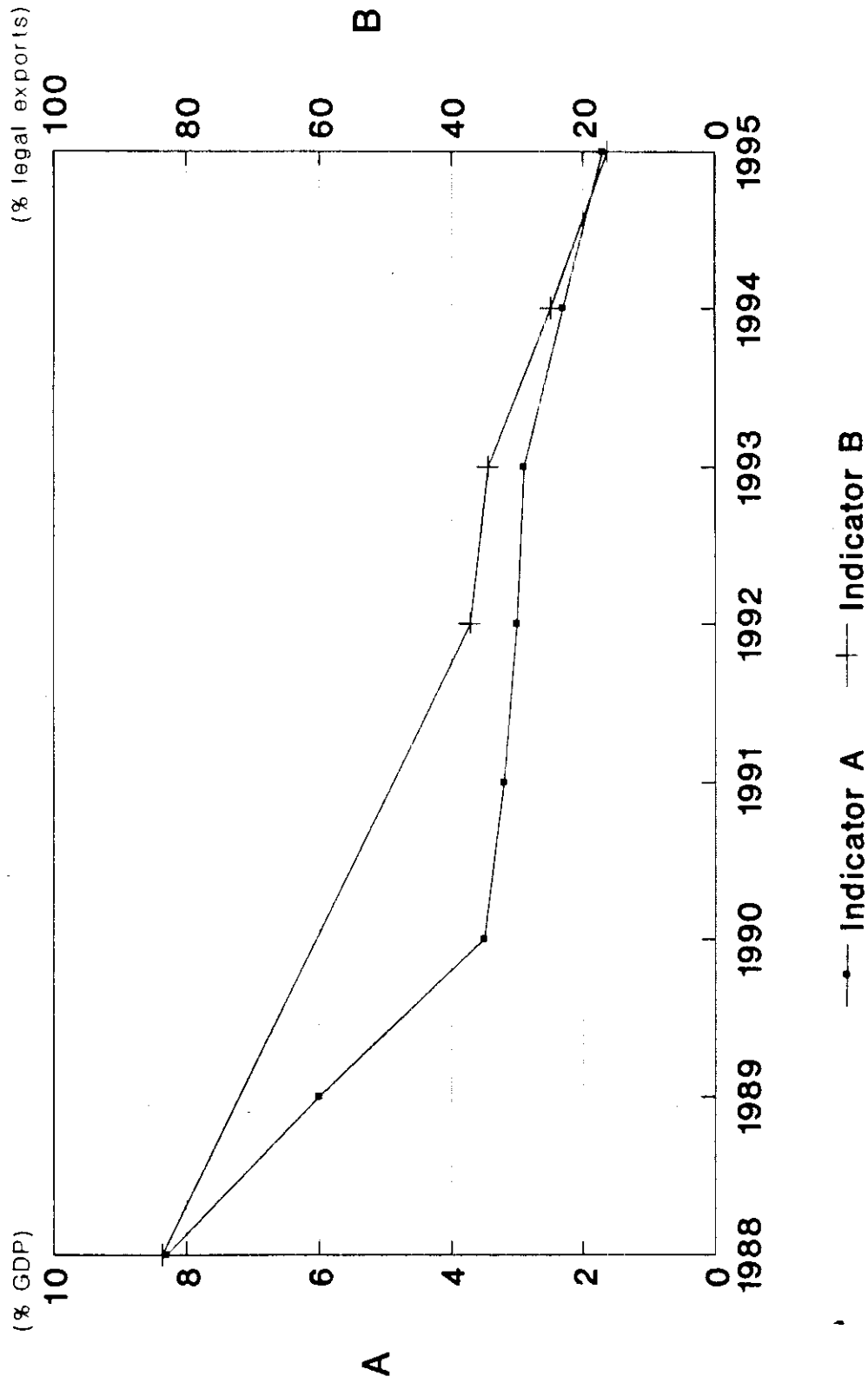
Clearly our five objectives are in line with the major thrusts of President Clinton's foreign policy including direct support for democracy, free markets and sustainable development.

As illustrated in the above graph, we have significantly focused our objectives, down from 15 in 1988 to 9 in 1989 to 6 in 1990 to the present 5. Similarly, although the control levels for our program (\$165.2 million in FY 1994 and \$125.2 million in FY 1995) remain high, we continue to concentrate our portfolio. The number of projects will decrease from a high of 37 in 1989 to 33 at the end of FY 1992, 30 at the end of FY 1993, 27 in FY 1994, and 23 in FY 1995. Other than possible requirements to meet increased support responsibilities for MDC programs, our personnel levels also have stabilized.

Although we drew heavily on the recommendations of the joint CDIE-LAC/DPP team to refine the statement of our strategic objectives, program outcomes and indicators, the goals and substance of our program have not changed since last year. Furthermore, we have made considerable progress in implementing our objectives as is demonstrated in this Action Plan. This is especially true with Alternative Development and Trade and

Investment, where most of our targets have been met or exceeded. Reliable measurement of progress at the strategic objective level for our Family Health program can be done only every five years. We are confident the activities supporting this objective have been soundly developed, and are being implemented on schedule. Our newer objectives, Strengthening Democracy and Environment, have seen significant progress over the past year, particularly with regard to mobilizing resources. We expect rapid acceleration in implementation over the next year.

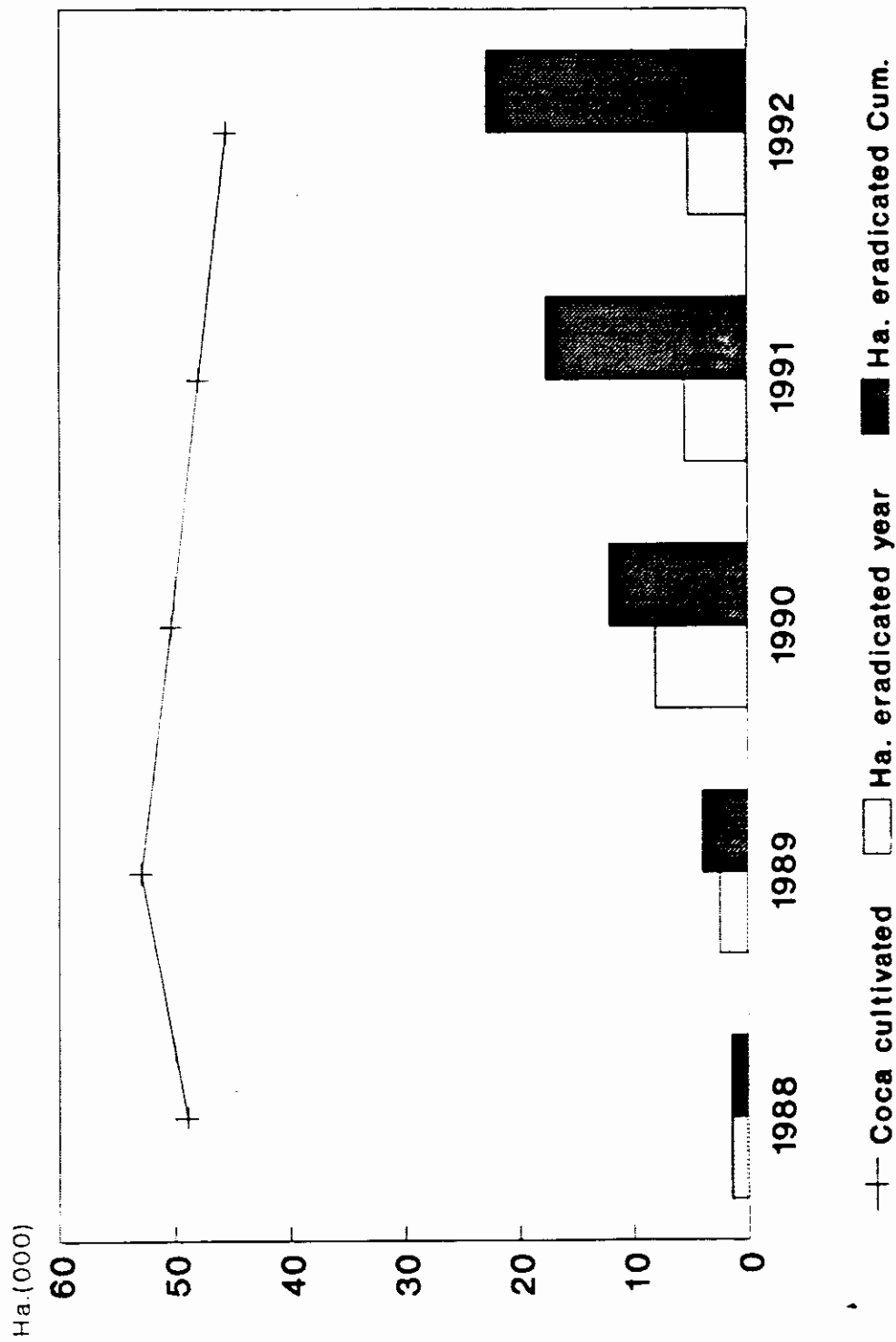
A. Bolivian economy transformed from significant dependence on coca/cocaine production



A: Illegal coca economy as a percent of legal economy.

B: Coca exports as a percent of legitimate exports.

Coca cultivation and eradication



1. Narrative

A. Refinements in Strategic Objective and/or Program Outputs

Based on the results of the 1992 Program Objectives Document (POD) and Action Plan review and the recommendations of a joint CDIE and LAC/DPP team, several refinements have been made in the statement of our Alternative Development objective, outputs and indicators. For example, the program output "generate jobs, investment and new sources of foreign exchange" has been changed to "increase non-coca employment and foreign exchange." Five performance indicators were dropped because they were determined not to be central in measuring progress toward the strategic objective. In addition, Table 1 notes USAID's decision to add a new indicator, the illegal coca economy as a percent of the legal economy, and adopt official GOB figures for GDP growth and private investment.

B. Strategic Objective Performance

Overall, 1992 witnessed substantial progress in moving the Bolivian economy to non-coca activities. Although the GOB had a 775 hectare shortfall in meeting its February to December eradication targets, almost 5,000 hectares of coca leaf were eradicated in 1992. In addition, seedbeds which would have supported another 1,000 hectares of coca were destroyed. Alternative development provided new opportunities to the people of Bolivia (see 92 La Paz 20242) and interdiction efforts combined with eradication successfully prevented an estimated \$1.8 billion in cocaine from reaching the U.S. and other markets (see La Paz 718). Despite inclement weather and a depressed world market for Bolivia's exports, which limited GDP growth, coca/cocaine represented 37.1 percent of exports and 3 percent of the legal economy in 1992 compared, respectively, to 83.7 percent and 8.2 percent in 1988, our base year.

The progress demonstrated in 1991 in the alternative development program continued at an accelerated pace for 1992. This record of progress was achieved despite an overall 17.8 percent decrease in the value of Bolivian exports from \$760 million in 1991 to an estimated \$625 million in 1992 (due largely to lower prices of natural gas exported to Argentina). As a result, the ratio of illegal coca exports was larger than in 1991. However, illegal coca exports amounting to 37.1 percent of legal exports is still significantly less than the 42 percent that had been projected for 1992. A new indicator introduced this year, "illegal coca economy as a percentage of the legal economy", declined from 3.2 percent in 1991 to 3.1 percent in 1992. We project that this indicator will fall to 2.9 percent in 1993 and fall sharply in 1994 and later years as a result of combined USG and GOB efforts on all fronts.

USAID assisted export sales were over 150 percent of our target (\$35 million versus a target of \$21.6 million). Within the Chapare, diversification of alternative crops saw steady growth in 1992. The area planted in pineapple is estimated to have doubled and is expected to double again in 1993. Domestic and export sales of bananas also expanded in 1992. Although we fell short of some of our targets for temporary job creation (in part attributable to a change in the method of measuring the indicator), over 260,000 person-months of employment were created in 1992. This is vital in deterring migration to the Chapare and in buffering the effects of the elimination of coca related jobs.

In addition to the contributions of the Mission's microenterprise activities to the employment targets, such activities are making significant contributions to strengthening the base for the non-coca/cocaine economy. The Foundation for the Promotion and Development of Microenterprise (PRODEM), a PVO financed principally by USAID, has been so successful in its micro-lending operations that it was able to form a for-profit commercial bank, Banco Solidario (BANCOSOL) to access commercial capital for the expansion of its operations. This is the first commercial bank in the hemisphere aimed at this clientele. BANCOSOL also has attracted investments from Accion International, the Canadian Calmeadow Foundation, and the IDB's Inter-American Investment Corporation, as well as substantial investment by private Bolivians. The rapidly expanding client base of PRODEM/BANCOSOL is now about 35,000 micro-clients. The great majority of loans are under \$500; 98% of these loans are paid on time. Drawing on the experience of AID's immensely successful Bank Rakyat Indonesia (BRI) intervention in Indonesia, BANCOSOL is moving into provision of deposit services for the same clientele since preliminary fieldwork indicates that Bolivia's urban microentrepreneurs want deposit services even more badly than they want loans.

C. Monitoring and Evaluation Status and Plans

USAID financed surveys of two local farmers' associations in the Chapare demonstrated that there are large quantities of nontraditional crops being cultivated and numerous community and private nurseries producing alternative crop planting materials. These crops and nurseries are further signs of the success and expansion of our alternative development strategy. An additional ten farmers' associations are being surveyed to determine current land use patterns and the size and quantities of land being devoted to various non-coca crops. This survey is being carried out in close cooperation with local leaders and we anticipate a high degree of cooperation and accuracy in the findings. In addition, a contractor under the CORDEP project will use these survey instruments to assess project impact in promoting non-coca crops in the areas covered by the associations and to further develop the information base for the marketing program for

nontraditional crops.

The Andean Alternative Development Management Information System (AAD/MIS) project has been assisting USAID to follow the progress in the alternative development portfolio since September 1991. AAD/MIS staff has helped to refine indicators to meet both USAID and LAC/SAM information needs. A September workshop held in La Paz reviewed the status of the project. Recommendation from the workshop were incorporated in the implementation plans of the countries represented at the workshop, Bolivia, Columbia, Ecuador and Peru. A review of all alternative development project data systems was completed and discussions are underway to more formally share this information with the GOB.

TABLE 1: STRATEGIC OBJECTIVE PERFORMANCE

Bolivia					
STRATEGIC OBJECTIVE NO. 1 Bolivian economy transformed from significant dependence on coca/cocaine production.					
Indicator: Size of coca exports as a percent of legitimate exports ^{1/} .					
Unit: Percent		Year	Planned	Actual	
Source: Government of Bolivia	Baseline	1988	-----	83.7	
Comments: ^{1/} As used throughout this table exports only include commodity and merchandise exports, not services. ^{2/} Reduced reflecting the Mission's decision to count seizure figures against the illegal coca economy.		1992	42.0	37.1 ^{2/}	
		1993	34.4		
		1994	24.9		
		1995	16.3		
		1996	10.3		
	Target	1997	5.8		
Indicator: Illegal coca economy as a percent of legal economy.					
Unit: Percent		Year	Planned	Actual	
Source: Government of Bolivia	Baseline	1988	-----	8.2	
Comments: New indicator		1992		3.0	
		1993			
		1994	2.9		
		1995	2.3		
		1996	1.7		
	Target	1997	1.2		
			0.7		

Indicator: GDP growth rate.					
Unit: Percent		Year	Planned	Actual	
Source: Government of Bolivia	Baseline	1988	-----	3.0	
Comments:		1992	2.8	3.8	
		1993	4.1		
		1994	3.4		
		1995	4.3		
		1996	4.8		
	Target	1997	5.2		
STRATEGIC OBJECTIVE NO. 1 Bolivian economy transformed from significant dependence on coca/cocaine production.					
PROGRAM OUTPUT NO. 1.1 Increased non-coca employment and foreign exchange earnings.					
Indicator: Nontraditional export sales attributable to USAID assistance.					
Unit: Thousands of U.S. dollars		Year	Planned	Actual	
Source: Export promotion, FOCAS, CRDP/CORDEP, PAO	Baseline	1991	-----	11,548	
Comments: Due to project PACDs, PAO only contributes up to 1992, FOCAS until 1993, Export Promotion until 1995, and CORDEP ends in 1996.		1992	21,600	35,010	
		1993	27,150		
		1994	34,100		
		1995	25,660		
		1996	2,466		
	Target	1997			

Indicator: Permanent jobs 1/ created by firms/individuals receiving USAID supported services - female.				
Unit: Number	Year	Planned	Actual	
Source ^{2/} : FOCAS, PAO, Export promotion, Micro and small enterprise Comments: 1/ Except for Export Promotion, which counts full-time positions, the numbers represent full-time job equivalencies, i.e., 12 person-months. 2/ CRDP/CORDEP no longer contributes to this indicator.	Baseline	-----	103	
	1990			
	1992	2,973	3,846	
	1993	2,661		
	1994	3,567		
	1995	3,175		
	1996	2,256		
Target	1997	2,990		
Indicator: Permanent jobs 1/ created by firms/individuals receiving USAID supported services - male.				
Unit: Number	Year	Planned	Actual	
Source ^{2/} : FOCAS, PAO, Micro and small enterprise Comments: 1/ Except for Export Promotion, which counts full-time positions, the numbers represent full-time job equivalencies, i.e., 12 person-months. 2/ CRDP/CORDEP no longer contributes to this indicator.	Baseline	-----	371	
	1990			
	1992	3,128	4,765	
	1993	2,506		
	1994	2,416		
	1995	1,965		
	1996	1,215		
Target	1997	1,609		

Indicator: Permanent jobs ^{1/} created by firms/individuals receiving USAID supported services - total.				
Unit: Number	Year	Planned	Actual	
Source ^{2/} : FOCAS, PAO, Micro and small enterprise, Export promotion, PROA ^{3/} Comments: ^{1/} Except for Export Promotion, which counts full-time positions, the numbers represent full-time job equivalencies, i.e., 12 person-months. ^{2/} CRDP/CORDEP no longer contributes to this indicator. ^{3/} In addition to the female and male permanent jobs reported above, in 1992 and 1993 these figures include PROA figures which are not desegregated by gender.	Baseline	-----	3,422	
	1991			
	1992	6,637	9,180	
	1993	8,917		
	1994	5,983		
	1995	5,140		
	1996	3,741		
Target	1997	4,599		
Indicator: Temporary jobs generated with USAID resources in the Department of Cochabamba - female.				
Unit: Person/months	Year	Planned	Actual	
Source: CRDP/CORDEP, PL-480 Title II, SNC Comments: Beginning 1992, PL-480 Title II figures are actual person-months.	Baseline	-----	1,313	
	1991			
	1992	7,548	8,689	
	1993	17,059		
	1994	17,059		
	1995	16,459		
	1996	16,159		
Target	1997	12,359		

Indicator: Temporary jobs generated with USAID resources in the Department of Cochabamba - male.				
Unit: Person/months	Year	Planned	Actual	
Source: CRDP/CORDEP, PL-480 Title II V, SNC Comments: Beginning 1992, PL-480 Title II figures are actual person-months.	Baseline	-----	15,604	
	1991			
	1992	8,293	9,444	
	1993	25,852		
	1994	25,852		
	1995	20,452		
	1996	17,752		
	Target	8,652		
Indicator: Temporary jobs generated with USAID resources in the Department of Cochabamba - total.				
Unit: Person/months	Year	Planned	Actual	
Source: CRDP/CORDEP, PL-480 Title II, SNC Comments: Beginning 1992, PL-480 Title II figures are actual person-months.	Baseline	-----	16,917	
	1991			
	1992	15,841	18,133	
	1993	42,911		
	1994	42,911		
	1995	36,611		
	1996	33,911		
	Target	21,011		

Indicator: Temporary jobs generated with USAID resources outside the Department of Cochabamba - female.				
Unit: Person-months		Year	Planned	Actual
Source: PAO V, PL-480 Title II 2/	Baseline	1991	-----	127,171
Comments: 1/ Previous figures are partially based on wheat production labor. 1992 actual figures represent all temporary labor in the member organizations at a mean of 3.346 person-months per job. 2/ Beginning in 1992 PL-480 Title II figures are actual person-months.		1992	154,941	129,022 1/
		1993	141,981 2/	
		1994	141,981	
		1995	141,981	
		1996	141,981	
	Target	1997	141,981	
Indicator: Temporary jobs generated with USAID resources outside the Department of Cochabamba - male.				
Unit: Person-months		Year	Planned	Actual
Source: PAO V, PL-480 Title II 2/	Baseline	1991	-----	215,459 1/
Comments: 1/ Previous figures are partially based on wheat production labor. 1992 actual figures represent all temporary labor in the member organizations at a mean of 3.346 person-months per job. 2/ Beginning in 1992 PL-480 Title II figures are actual person-months.		1992	287,218 2/	116,895
		1993	90,279	
		1994	90,279	
		1995	90,279	
		1996	90,279	
	Target	1997	90,279	

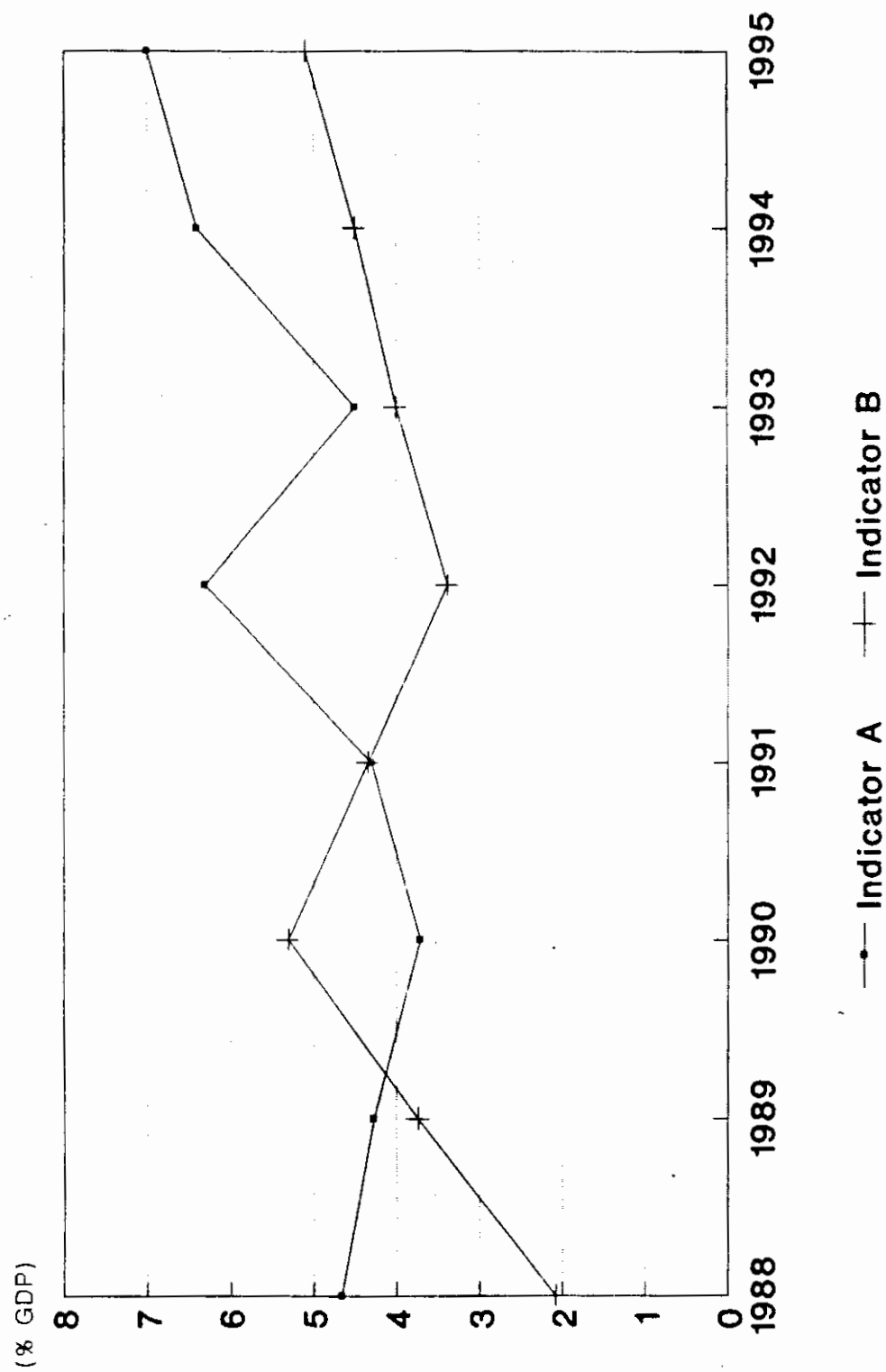
Indicator: Temporary jobs generated with USAID resources outside the Department of Cochabamba - total.				
Unit: Person-months		Year	Planned	Actual
Source: PAO I, PL-480 Title II 1/	Baseline	1991	-----	342,630
Comments: 1/ Previous figures are partially based on wheat production labor. 1992 actual figures represent all temporary labor in the member organizations at a mean of 3.346 person-months per job. 2/ Beginning in 1992 PL-480 Title II figures are actual person-months.		1992	442,159	245,917 1/
		1993	232,260 2/	
		1994	232,260	
		1995	232,260	
		1996	232,260	
	Target	1997	232,260	
STRATEGIC OBJECTIVE NO. 1 Bolivian economy transformed from significant dependence on coca/cocaine production.				
PROGRAM OUTPUT NO. 1.2 Increased non-coca economic opportunities in the Chapare.				
Indicator: Hectares of non-coca crops planted in the Chapare with USAID assistance 1/.				
Unit: Number		Year	Planned	Actual
Source: CRDP/CORDEP	Baseline	1990	-----	917
Comments: 1/ Estimates for 1992 - 1996 are based on availability, expected local reproduction, and importation of planting material; crops marketed; expanding marketing possibilities; improved access by all weather roads and expected increase in access to credit. 2/ The CORDEP project ends in 1996.		1991	2,900	2,950
		1992	4,000	6,000
		1993	7,500	
		1994	10,000	
		1995	10,000	
		1996	5,000	
	Target	1997	2/	

STRATEGIC OBJECTIVE NO. 1 Bolivian economy transformed from significant dependence on coca/cocaine production.					
PROGRAM OUTPUT NO. 1.3 Increased public support and participation in counter-drug programs %.					
Indicator: People who believe drug production and trafficking constitute a problem for Bolivia.					
Unit: Percentile of Bolivian population		Year	Planned	Actual	
Source: Drug Awareness	Baseline	1992	-----	33%	
Comments: 1/ Two of the proposed indicators were dropped as being too insignificant to measure (as determined in project surveys): Drug use, because only 1.2% of population use cocaine, and popular understanding of Law 1008, because 80% of population already understand it.		1992	N/A	33%	
		1993	35%		
		1994	38%		
		1995	41%		
		1996	45%		
	Target	1997	51%		

TABLE 2: STRATEGIC OBJECTIVE PROGRAM "TREE"

Bolivia		
Bureau Objective 3: Respond to specific challenges.		
Bureau Sub-objective 3.B: Diminish participation in production, trafficking and abuse of narcotics.		
STRATEGIC OBJECTIVE NO. 1: Bolivian economy transformed from significant dependence on coca/cocaine production.		
PROGRAM OUTCOME NO. 1.1 Increased non-coca employment and foreign exchange earnings.	PROGRAM OUTCOME NO. 1.2 Increased non-coca economic opportunities in the Chapare.	PROGRAM OUTCOME NO. 1.3 Increased public support and participation in counter-drug programs.
Projects (Number\Title)	Projects (Number\Title)	Projects (Number\Title)
0585 Export Promotion	0543 Chapare Regional Development	0613 Drug Awareness and Prevention
0596 Microenterprise Development	0617 Cochabamba Regional Dev.	936-5438 Narcotics Awareness & Ed.
0614 Alternative Dev. Electrification	0612 Rural Household Survey	
0589 Private Agricultural Organizations		
0605 Economic Recovery Program		
PL-480 Title II		
PL-480 Title III		
0618 CARE Community Development		
0594 Community and Child Health		
Urban Development Initiative (PROA)		
931-1328 Small Ruminants CRSP		

B. Increased non-coca trade



A: Fixed private investment.
B: Total value of nontraditional exports.

1. Narrative:

A. Refinements in Strategic Objective and/or Outputs

There have been no substantive changes in the goals of the Trade and Investment program, nor in programs we are implementing to carry it out. We have, though, made several refinements in the outputs and indicators used to define and measure the program. In the interest of streamlining reporting requirements, the AID/W team that visited USAID/Bolivia in September on "Monitoring Program Performance" recommended we drop indicators showing exports and imports to and from the U.S. We agree that our Trade and Investment program is not designed to emphasize this trade, although the U.S. is one of Bolivia's largest trading partners. We will continue, through technical assistance under the Export Promotion project, to foster Bolivia-U.S. trade, where feasible, and to report on this two-way trade in SARs and other correspondence with AID/W.

We have recast program output numbers 1 and 2 to better reflect the strategy for reaching the objective. The first output has been changed to "increased competitiveness of the export sector." Output number 2 is now focussed on increasing investment specifically for the export industry, and also now includes domestic investment as well as foreign investment.

To avoid redundancy, the indicator for employment generation is now shown only under the Alternative Development strategic objective.

B. Strategic Objective Performance

A fair summary of performance during 1992 against trade and investment targets is that macroeconomic results were mixed, while program results lying more within USAID's control have been generally encouraging.

The bad news is that the value of Bolivia's nontraditional exports actually dropped in 1992. This drop was due almost entirely to factors beyond Bolivia's control: weather disasters and drops in world market prices. For instance, soybean and rice were hit by both these problems. In other cases, such as leather and sugar, export volume actually increased, but world price declines more than wiped out the gains.

A closer look at the export data reveals a silver lining. Within the gamut of nontraditional exports, the sector most crucial to Bolivia's future growth is manufactured exports, which provide higher value added and are less subject to price swings. In this sector, Bolivia is starting from a miserable base: 1991 manufactured exports were only about \$40 million. In 1992, however, these exports grew by over 50%, to about \$62 million. (Inciden-

tally, about 80% of this increase was produced by USAID-assisted companies.) Long-term continuance of this trend is more important than the price and weather fluctuations which affect commodity exports.

The excellent news on the macroeconomic front has been a substantial increase in private fixed investment to 6.3%. It had been running below 5% of GDP for over a decade. This key "leading" indicator strongly suggests that the private sector is finally beginning to believe that the new economic regime will last. We are guessing that private investment may drop during 1993, reflecting uncertainty about what the Bolivian elections will produce. But if the new government demonstrates a commitment to the present economic model, we predict sustained increases in private investment, which will inevitably have their impact on GDP and export growth.

At the level of the USAID program, results have been generally satisfactory. Nontraditional exports such as processed leather goods, wood products and nontraditional mining sales by companies we have been assisting came in at \$35 million, 164% of our target. Capturing foreign investment has been much tougher, but a major metallurgical investment at year-end put us far ahead of target; incidentally, none of these investments entails any threat to U.S. jobs. An attractive side-product of our export assistance is that the companies we have been working with have imported about \$11 million worth of U.S. products as a direct result of our efforts.

All of the above measures considerably understate the eventual impact of our exporter assistance. Most of the new businesses and export lines we have helped to develop will continue (and expand) their contribution to the Bolivian economy for years after the conclusion of our projects. Furthermore, no attempt is made to quantify or claim credit for the demonstration effect of successful new exports: experience shows that the success of a USAID-assisted exporter will lead other (non-USAID assisted) exporters into similar businesses.

We failed to meet scheduled targets on two policy fronts: The GOB did not submit a pension reform law to Congress in 1992; and the Congress has not yet approved the pending Banking Law, which contains an important provision reforming credit union supervision. However, we remain optimistic that our work on these fronts will bear fruit. The proposed pension reform would multiply by a large factor the amount of private long-term capital available to finance business growth in Bolivia.

While the government felt unable to fit pension reform into the crowded congressional docket before the upcoming elections, nonetheless the GOB made this USAID-supported initiative a centerpiece of its presentation at the Paris donors' meeting.

Conversations with the various political parties suggest a respectable likelihood that whatever government emerges from the elections will put this reform on its legislative agenda. Because of the immense social and economic impact of this reform, we will keep it squarely on our agenda, while setting a more conservative 1994 target for passage of the law.

Credit unions remain the most viable alternative for extending financial services to the large majority of Bolivians unserved by commercial banks; and establishment of independent financial supervision of these credit unions is a key to the long-term health and growth of the system. The draft Banking Law mandating such supervision was not acted on in 1992, due to controversy over other unrelated provisions in the law. However, the law is expected to pass this year, and there no longer appears to be any significant opposition to the credit union supervision chapter which we promoted. In the meantime, seven of the largest credit unions in the country have voluntarily submitted to supervision by the Superintendency of Banks.

Bolivia right now is poised on an economic (and political) knife-edge. The country may well succeed in making the jump to export-led growth. On the other hand, it is entirely possible that Bolivia could fall back into the hole from which it has only recently emerged. This is a risky environment for our private sector promotion programs; at the same time, it is an environment where there is an especially significant chance that our assistance could make a major difference.

C. Monitoring and Evaluation Status and Plans

Most of the projects in our Trade and Investment portfolio have been closely monitored and evaluated on a regular basis. We plan to do the same throughout the Action Plan period.

As an editorial note, in reporting investment promotion results, we are particularly careful to exclude investments for which our assistance cannot claim legitimate credit. We are also proud to repeat the comment of a RIG auditor who recently reviewed our export program's monitoring system: he indicated that he had never seen a project so well monitored in his years in the Agency.

TABLE 1: STRATEGIC OBJECTIVE PERFORMANCE

Bolivia					
STRATEGIC OBJECTIVE NO. 2 Increased non-coca trade.					
Indicator: Fixed private investment as percent of GDP. ^{1/}					
Unit: Percent of GDP		Year	Planned	Actual	
Source: Government of Bolivia	Baseline	1991	-----	4.3	
Comments: ^{1/} This indicator has been changed to "fixed private investment" (i.e., excluding inventory changes) due to problems experienced with the availability and quality of inventory change data. ^{2/} Reflects use of GOB's GDP figure rather than previous IMF figures, and revised estimates for direct foreign investment.		1992	6.3	6.3	
		1993	4.5 ^{2/}		
		1994	6.4		
		1995	7.0		
		1996	7.5		
	Target	1997	8.0		
Indicator: Nontraditional exports-total value.					
Unit: Thousands of U.S. dollars		Year	Planned	Actual	
Source: Government of Bolivia	Baseline	1991	-----	262,000 ^{1/}	
Comments: (nominal U.S. \$) ^{1/} Revised		1992	291,000	218,000	
		1993	277,000 ^{1/}		
		1994	333,000		
		1995	407,000		
		1996	484,000		
	Target	1997	584,000		

Indicator: Total value of nontraditional exports.					
Unit: Percent of GDP		Year	Planned	Actual	
Source: Government of Bolivia	Baseline	1991	-----	4.3 %	
Comments: % Revised		1992	5.9	3.4	
		1993	4.0 %		
		1994	4.5		
		1995	5.1		
		1996	5.6		
	Target	1997	6.2		
STRATEGIC OBJECTIVE NO. 2 Increased non-coca trade.					
PROGRAM OUTPUT NO. 2.1 Increased competitiveness of the export sector.					
Indicator: New nontraditional exports by USAID-assisted businesses.					
Unit: Thousands of dollars		Year	Planned	Actual	
Source: Export Promotion, FOCAS, CORDEP, PAO	Baseline	1991	-----	11,547	
Comments: PAO ends 1992. FOCAS ends 1992. CORDEP ends 1996. % Due to budget and program uncertainties, we do not believe that projections past 1995 would be meaningful.		1992	21,600	35,010	
		1993	27,150		
		1994	34,100		
		1995	26,660		
		1996	%		
	Target	1997	%		

STRATEGIC OBJECTIVE NO. 2 Increased non-coca trade.				
PROGRAM OUTPUT NO. 2.2 Increased Investment in nontraditional exports.				
Indicator: New foreign investments attributable to USAID assistance.				
Unit: Thousands of U.S. dollars		Year	Planned	Actual
Source: Export promotion	Baseline	1992	-----	21,920
Comments: Project terminates 1995. Due to budget and program uncertainties, we do not believe that projections past 1995 would be meaningful.		1992	10,000	21,920
		1993	13,000	
		1994	20,000	
		1995	11,000	
		1996		
	Target	1997		
Indicator: Value of Domestic NTE Investment attributable to USAID assistance.				
Unit: Thousands of U.S. dollars		Year	Planned	Actual
Source: Export promotion	Baseline	1992	-----	23,000
Comments: Due to budget and program uncertainties, we do not believe that projections past 1995 would be meaningful.		1992	N/A	23,000
		1993	11,500	
		1994	16,500	
		1995	12,000	
		1996		
	Target	1997		

STRATEGIC OBJECTIVE NO. 2 Increased non-coca trade.					
PROGRAM OUTPUT NO. 2.3 Reform financial markets.					
Indicator: Pass and implement pension reform.					
Unit:		Year	Planned	Actual	
Source: GOB	Baseline	1992	-----	Not passed	
Comments:		1992	Pass law	Not passed	
		1993	-----	-----	
		1994	Pass law		
		1995	Implement law		
		1996			
	Target	1997			
Indicator: Pass and implement credit union reform.					
Unit:		Year	Planned	Actual	
Source: GOB	Baseline	1992	-----	Not passed	
Comments:		1992	Pass law	Not passed	
		1993	Pass law		
		1994			
		1995			
		1996			
	Target	1997			

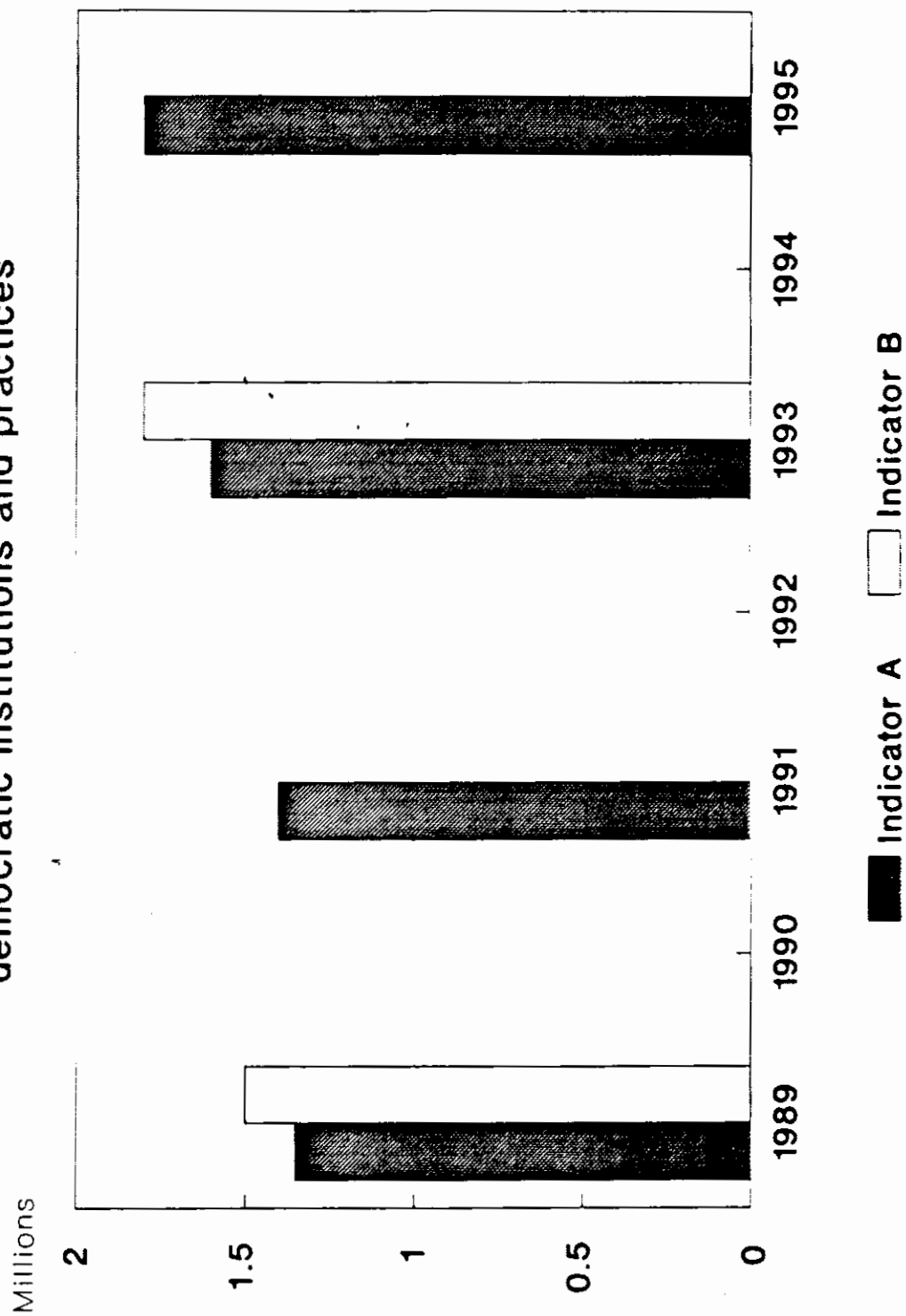
TABLE 2: STRATEGIC OBJECTIVE PROGRAM "TREE"

Bolivia
Bureau Objective 1: Support the achievement of broadly-based, sustainable economic growth
Bureau Sub-objective 1.B: Encourage a vigorous private sector response
STRATEGIC OBJECTIVE NO. 2: Increased noncoca trade.

PROGRAM OUTCOME NO. 2.1 Increased competitive- ness of the export sec- tor	PROGRAM OUTCOME NO. 2.2 Increased invest- ment in nontraditional exports	PROGRAM OUTCOME NO. 2.3 Reformed financial markets
---	---	--

Projects (Number\Title)	Projects (Num- ber\Title)	Projects (Num- ber\Title)
0585 Export Promotion	0585 Export Promotion	0577 Industrial Transition
0580 Management Training	0577 Industrial Transition	0596 Microenterprise Development
0584 Training for Development	0580 Management Training	0580 Management Training
0605 Economic Recovery	0584 Training for Development	0584 Training for Development
0617 Cochabamba Regional Development	940-0016 Privatization and Development	940-3023 Bond Guarantee Program
0617 Human Resources for Development	940-0102 Center for Trade and Investment Services	936-5448 GEMINI
936-5065 Higher Education for Development		940-0002 Loan Guaranty Facility
926-0071 Training Evaluation and Support Services		
936-5063 U.S. University Development Linkage Project		
936-5838 U.S. Telecom. Training Institute (USTTI)		

C. Improved effectiveness and accessibility of key democratic institutions and practices



1. Narrative

A. Refinements in Strategic Objective and/or Program Outputs

The Strategic Objective Committee, with assistance from a LAC/DPP/PRISM team, adjusted the strategic objective statement to add "Democratic Practices" to more fully capture actual actions, including efforts to increase citizen participation in decision-making through professional and grass-roots organizations. Program outputs were refined to better define key lower-level results that will lead to achievement of the strategic objective. The modified program outputs now total four: 1. Improved Quality and speed of judicial and extra-judicial (conflict resolution) Process; 2. Support systems established; 3. Improved voter participation and integrity of the electoral system; and, 4. Increased opportunities for collective decision-making and consensus-building among professional and grass-roots organizations.

B. Strategic Objective Performance

Conditions for realizing the strategic objective improved significantly during 1992, both for reasons directly related to Mission program actions and due to external factors related to Bolivia's continuing evolution towards sustainable democratic government. For example, an historic agreement was reached by representatives of the major political parties on July 9, 1992 which yielded unanimous agreement to immediately undertake a series of institutional reforms supporting more transparent and accountable government practices in such diverse areas as Supreme Court appointment processes and citizen electoral registration.

A number of USAID-supported actions directly contributed to democratic advances in 1992. Concrete steps were taken under the Administration of Justice and Democratic Institution projects to strengthen and improve the judiciary and congress, and electoral administration.

The Administration of Justice Project was authorized in September 1992. It will help to establish effective judicial models and peaceful conflict resolution in three of the nine Bolivian Departments by December 31, 1997. By the fifth year expected improvements in the three pilot zones will be replicable by the GOB in the remaining six areas of the country.

Agreement was reached with national and local GOB officials on the implementation plan for the first year and on requirements for setting up and measuring indicators. Commercial arbitration practices were agreed to with Chambers of Commerce and 73 arbiters from around the nation were trained. A criminal fast track program to allow for final disposition of criminal cases prior to final judgement and exhaustion of the appeal process was

designed. Discussions have begun with GOB representatives, including the Vice-President, representatives of local social reform groups, and local community leaders for the establishment of extra-judicial community conciliation centers in El Alto, a fast growing satellite urban community of La Paz, where there are no courts for close to 400,000 citizens.

A vigorous, effective public defender program is a vital element in the quest for accountable, equitable, and speedy criminal justice in Bolivia. The Bolivian Vice-President and Minister of Interior, Immigration and Justice have agreed upon plans to establish a public defense program and commit GOB financial resources. Finally, linkages were established between reform and modernization organizations such as bar associations, study groups, ad hoc public defender groups, bankers' and lawyers' associations, and chambers of commerce throughout the country. We found an overwhelming consensus on the need for and interest in reform throughout the country. Mechanisms were developed for legal opinion leaders to organize a national reform movement.

Under the Democratic Institutions Project, in 1992 USAID electoral assistance centered on helping the electoral courts prepare for the June 1993 general and December 1993 municipal elections. This assistance centered on strengthened electoral administration, systematizing the electoral calendar, improving financial accountability, and developing detailed technical plans for the 1993 major election year. In addition, counterpart local currency contributions financed basic improvements in electoral infrastructure, transportation, and communications.

As a direct result of the July 9, 1992 political agreement, the Bolivian Congress managed a packed legislative agenda. In response to a request from the President of Congress, USAID is providing assistance to: 1) improve the budget and fiscal analysis capabilities of the Congress; 2) provide a bill drafting service to improve the quality of bills reaching the floor and 3) establish documentation services and data banks to improve legislative research. This assistance is provided through a cooperative agreement with the State University of New York's Office of International Programs.

The National Electoral Court requested USAID assistance to study proposed new political party legislation and requested that this assistance be provided by the National Democratic Institute (NDI). As a result, a major international conference on the subject will be held in La Paz under the sponsorship of the National Electoral Court before April 1993.

Mission activities also contributed to increased citizen participation in community-level decision-making in 1992. Approximately 304 community organizations with a total of 2,888 people participated in leadership training programs, rural

development projects, and related activities. In sum, these actions resulted in an overall increase in resource allocation and public service entitlement program efficiencies for the most disadvantaged population groups.

USAID counted on sister agencies and regional programs to support the strategic objective accomplishments over the past twelve months. The U.S. Department of Justice and ICITAP provided training and technical assistance inputs to strengthen prosecution and police investigation performance. The Inter-American Bar Foundation, in coordination with the Democratic Initiatives Division and the Bolivian National Chamber of Commerce made great strides in developing alternative forums and practices for peaceful conflict resolution. A private group of federal and state judges, prosecutors, public defenders and trial practitioners from California (the "Mayo Group") developed a criminal fast track program in addition to supporting the sustainable establishment of clinical legal training programs for judges, prosecutors, and public defenders. The Center for Electoral Administration and Promotion (CAPEL), trained electoral jurors, developed an institutional electoral promotion capacity and helped strengthen the administrative/financial organization of the Bolivian electoral administration body. Finally, we have cofinanced with World Bank implementation of the GOB's Integrated Governmental Management and Control Systems (SAFCO) program. This program makes public officials accountable for their actions and prescribes corresponding legal action. The first case processed under the law resulted in the dismissal of the head of a major public sector corporation for attempting to cover-up corrupt acts committed by his employees.

C. Monitoring and Evaluation Status and Plans

Most of the new information concerning monitoring and evaluation of this strategic objective relates to the newly authorized Bolivia Administration of Justice Project. The Project, developed in close coordination with AID/W in mid-1992, will implement programs with the assistance of the U.S. Department of Justice's Office of Professional Development and Training (DOJ), ICITAP, the Inter-American Bar Foundation (IABF), and several other contractors. Progress will be monitored through bi-weekly reports to a joint USAID-Embassy Democratic Initiatives Coordinating Committee that includes USIS, NAS, DEA, POL, and ECON. Performance indicators developed with AID/W assistance will rely on regular data collection and reporting by DOJ, ICITAP, and the IABF.

Baseline data for the performance indicators did not exist at the authorization of the Project and collection of baseline data is now underway. In every instance data collection mechanisms in the executing institutions for the pilot areas will have to be developed to collect the data for the indicators identified. In

most instances the establishment of these collection mechanisms will have to be initiated as a result of activity funded by the project. Baseline data should be available in the first of the three pilot jurisdictions by mid-1993 and efforts to ensure that systems are in place within counterpart institutions to provide impact data and information are now underway. In October 1992, ICITAP, DOJ, DID, and AID collaborated in a preliminary survey of each of the three pilot jurisdictions to establish the operational plan for the first year and lay the foundation for baseline data.

TABLE 1: STRATEGIC OBJECTIVE PERFORMANCE

Bolivia						
STRATEGIC OBJECTIVE NO. 3 Improved effectiveness and accessibility of key democratic institutions and practices.						
Indicator: Proportion of criminal cases disposed of prior to final judgement.						
Unit: Percent		Year	Planned	Actual		
Source: Democratic Initiatives Division	Baseline	1993	-----	N/A		
Comments: USAID is promoting alternative conflict resolution and these measures efficiency and effectiveness of the judicial system as a function of the degree to which cases are resolved by conciliation, summary guilty pleas, or other mechanisms used to dispose of cases without a full trial.		1992	N/A	N/A		
		1993	To be developed			
		1994				
		1995				
		1996				
	Target	1997				
Indicator: Number of alternative dispute resolution fora and processes practiced.						
Unit: Number		Year	Planned	Actual		
Source: Democratic Initiatives Division	Baseline	1993	-----	N/A		
Comments: Possible fora and/or processes being considered are: criminal fast track; commercial arbitration; conciliation/mediation; court-annexed arbitration; and extra-judicial community conciliation.		1992	N/A	N/A		
		1993	To be developed			
		1994				
		1995				
		1996				
	Target	1997				

Indicator: Public opinion regarding courts of law.					
Unit: Percent favorable		Year	Planned	Actual	
Source: CAPEL electoral surveys Comments: 1/ Baseline will be defined based on CAPEL 1993 electoral survey. Beyond 1993 it is expected that surveys will be commissioned specifically for courts of law to agency other than CAPEL.	Baseline	1993	-----	N/A	
		1992	N/A	N/A	
		1993	1/		
		1994			
		1995			
		1996			
	Target	1997			
Indicator: Valid vote totals.					
Unit: Million		Year	Planned	Actual	
Source: NEC, Based on 1991 municipal elections Comments: 1.- Since the ballot is secret, valid vote totals cannot be disaggregated by gender. 2.- Since municipal elections are primarily urban, lower totals are expected in them than in general elections. 3.- Once the 1992 census figures are available, this indicator will be changed to "percentage of voting age population who vote".	Baseline	1991	-----	1.4	
		1992	N/A		
		1993	G 1.8 M 1.6		
		1994	N/A		
		1995	M 1.8		
		1996	N/A		
	Target	1997	G 2.2 M 2.0		

STRATEGIC OBJECTIVE NO. 3 Improved effectiveness and accessibility of key democratic institutions and practices.					
PROGRAM OUTPUT NO. 3.1 Improved quality and speed of judicial and extra-judicial (conflict resolution) process.					
Indicator: District Court case tracking and/or judicial planning statistical systems.					
Unit: Number	Baseline	Year	Planned	Actual	
Source: Democratic Initiatives Division Comments:		1993	-----	N/A	
		1992	N/A	N/A	
		1993	1		
		1994	2		
		1995	1		
		1996	1		
	Target	1997	1		
Indicator: Judges/court administrators trained in court management.					
Unit: Number		Year	Planned	Actual	
Source: Democratic Initiatives Division Comment:	Baseline	1993	-----	N/A	
		1992	N/A	N/A	
		1993	2		
		1994	4		
		1995	4		
		1996	2		
	Target	1997	N/A		

STRATEGIC OBJECTIVE NO. 3 Improved effectiveness and accessibility of key democratic institutions and practices.				
PROGRAM OUTPUT NO. 3.2 Support systems established.				
Indicator: Legislative committees using new legislative support services.				
Unit: Number		Year	Planned	Actual
Source: Congressional records	Baseline	1993	-----	N/A
Comments: 1. Figures beyond March 31, 1994 are expected Congress plans. 2. Assistance will center on Upper and Lower House Finance and Justice Committees.		1992	N/A	N/A
		1993	4	
		1994	4	
		1995	6	
		1996	8	
	Target	1997	10	
Indicator: Implement SARCO law in public sector - public resources audited.				
Unit: Percent		Year	Planned	Actual
Source: Controller General's reports	Baseline	1992	-----	7
Comments:		1992	N/A	7
		1993	8	
		1994		
		1995		
		1996		
	Target	1997		

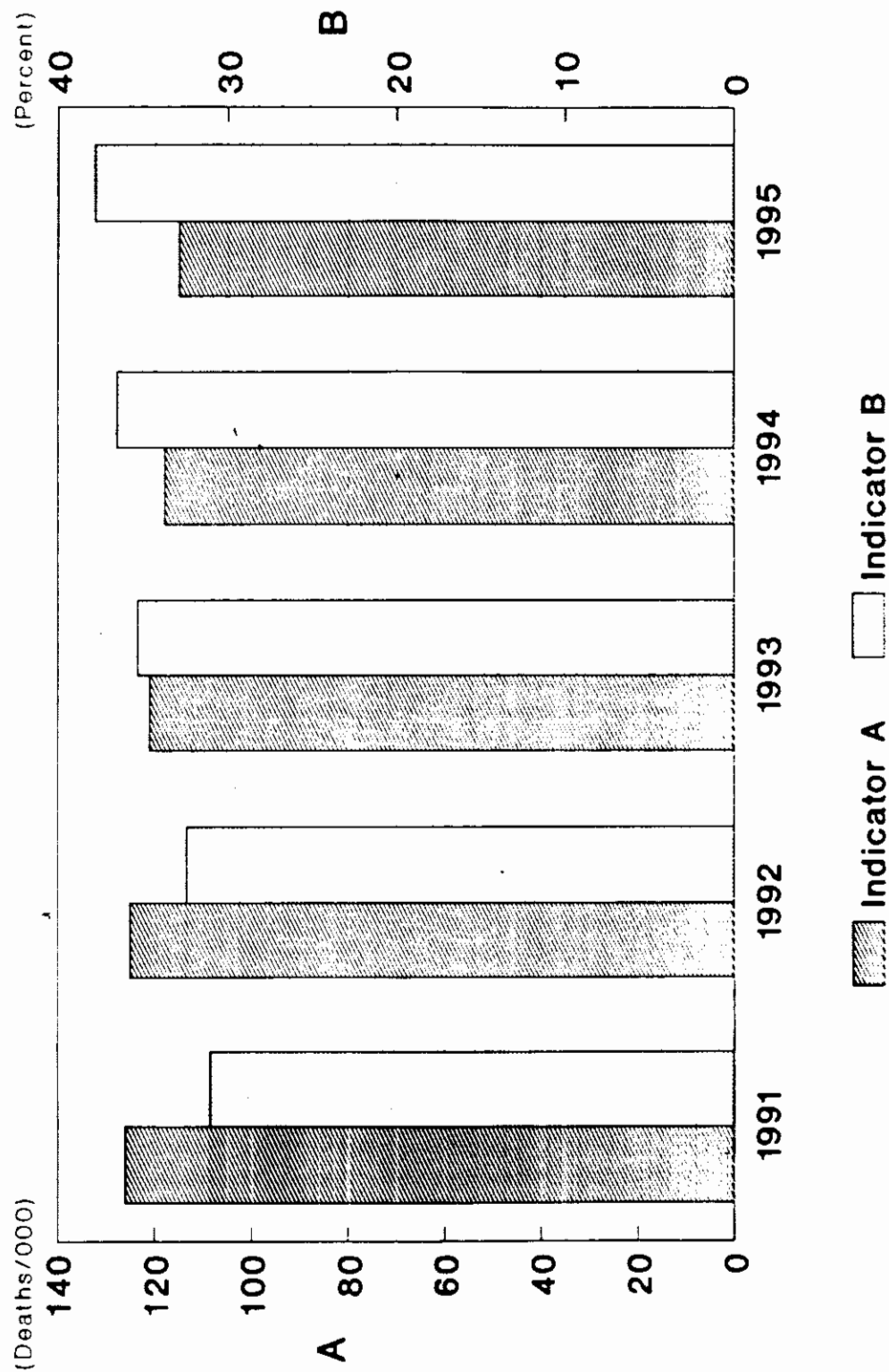
STRATEGIC OBJECTIVE NO. 3 Improved effectiveness and accessibility of key democratic institutions and practices.					
PROGRAM OUTPUT NO. 3.3 Improved voter participation and integrity of the electoral system.					
Indicator: Citizen-jurors trained for election day.					
Unit: Number		Year	Planned	Actual	
Source: National Electoral Court	Baseline	1991	-----	28,000	
Comments: Total universe of electoral jurors is about 60,000 for general elections		1992	N/A	N/A	
		1993	24,000		
		1994	N/A		
		1995	36,000		
		1996	N/A		
	Target	1997	48,000		
Indicator: Voters registered for general/municipal elections.					
Unit: Million		Year	Planned	Actual	
Source: National Electoral Court	Baseline	1991	-----	1.4	
Comments: Gender disaggregation will be possible with 1993 voter registration computerized records.		1993	G 2.0 M 1.8		
		1994	N/A		
		1995	M 2.0		
		1996	N/A		
	Target	1997	G 2.5 M 2.2		

STRATEGIC OBJECTIVE NO. 3 Improved effectiveness and accessibility of key democratic institutions and practices.				
PROGRAM OUTPUT NO. 3.4 Increased opportunities for collective decision-making and consensus building among professional and grass-roots organizations.				
Indicator: People participating in Municipal decision-making.				
Unit: Number	Year	Planned	Actual	
Source: Support for Title II Urban for Work Program	1992	-----	2,888	
Comments:	1992	6,040	2,888	
	1993	6,040		
	1994	7,500		
	1995	7,500		
	1996	7,500		
	Target	10,000		

TABLE 2: STRATEGIC OBJECTIVE PROGRAM "TREE"

Bolivia			
Bureau Objective 2: Support the evolution of stable, participatory democratic societies.			
Bureau Sub-objective 2.A, 2.B: Strengthen civilian government institutions. Strengthen public participation in the democratic process.			
STRATEGIC OBJECTIVE NO. 3: Improved effectiveness and accessibility of key democratic institutions and practices.			
PROGRAM OUTCOME NO. 3.1 Improved quality and speed of judicial and extra-judicial (conflict resolution) process.	PROGRAM OUTCOME NO. 3.2 Support systems established.	PROGRAM OUTCOME NO. 3.3 Improved voter participation and integrity of the electoral system.	PROGRAM OUTCOME NO. 3.4 Increased opportunities for collective decision-making and consensus-building among professional and grass-roots organizations.
Projects (Number\Title)	Projects (Number\Title)	Projects (Number\Title)	Projects (Number\Title)
0609 Justice Sector	0610 Democratic Institutions	0610 Democratic Institutions	0610 Democratic Institutions
0610 Democratic Institutions	0626 Administration of Justice		0611 Bolivian Peace Scholarship Prog.
0611 Bolivian Peace Scholarship Program	Administrative System for Financial and Governmental Control (SAFCO)		0623 Special Development Activities
0626 Administration of Justice			0626 Administration of Justice
598-0642 Regional Administration of Justice			Urban Development Initiative (PROA)
598-0770 Legislative Strengthening			American Institute for Free Labor Dev.
			PVO Management (Title II)
			936-5456 Food Security

D. Improved family health throughout Bolivia



A: Child mortality rate. (Deaths per thousand births)

B: Contraceptive prevalence. (Percent)

1. Narrative

A. Refinements in Strategic Objective and/or Program Outputs

The Mission has strengthened the strategic framework of outputs and indicators stated in last year's Action Plan and Program Objectives Document (POD). At the strategic objective level, the Mission added "adequate nutritional status" as a fifth performance indicator. At the program output level, the Mission has dropped the fourth program output, "improvement in community health infrastructure" since infrastructure interventions, such as rural water supply, are undertaken for their health impact. "Access to improved water" and "exclusive breastfeeding for 3-4 months" indicators were added as performance indicators for program outputs (2) and (3). Finally, "stunting" was dropped as a program output indicator as the Mission considers the new strategic objective level nutrition indicator stated above to be more appropriate.

USAID opted to continue performance indicators for program outputs (2) and (3) because to achieve the strategic objective of improving family health in Bolivia, the Mission has undertaken interventions on two interdependent fronts: (1) on the supply side, to improve the delivery of health care services through strengthened public and private institutions, and (2) on the demand side, to increase the effective demand for these services by improving Bolivians' general health care knowledge, attitude and practices. Interventions on one front will only achieve the strategic objective to the extent that interventions on the other front are successful. Therefore the four performance indicators for these two outputs are as much a result of strengthened institutions effectively delivering quality health care services as they are a result of a more knowledgeable population demanding these services.

B. Strategic Objective Performance

All strategic objective level indicators show improvement in the health of Bolivians over the long-term, and USAID assistance has made a significant contribution to this progress. Bolivia is a child survival emphasis country and the Mission is pleased to report that its projects continue to have a positive impact on related strategic objective level indicators.

This year, for example, through the Interactive Radio Learning Project, primary school children nationwide will benefit from basic education on fundamental preventive and curative health techniques. In addition, and as a follow-up to the mid-term evaluation, the Community Child Health (CCH) project was amended to combat Bolivia's continuing cholera epidemic, taking advantage of heightened interest by the Ministry of Health and the public to promote improvements in primary health services and hygiene

habits which will greatly improve other health indicators as well. The CCH project also is expanding successful Chagas' control and immunization efforts supported by the project. Finally, as agreed in last year's Action Plan review, the Mission is in the process of amending the Reproductive Health Services Project to accelerate the development of public and private sector reproductive health care services, expand the project geographically, and intensify training, research, and contraceptive social marketing efforts. The amendment is being designed in accordance with a mid-term evaluation which cited the need to expand the initial successes of the project while Bolivia's favorable social and political climate for reproductive health activities permits.

The result of these efforts and those of other donors will continue to contribute to the decline in infant, child and maternal mortality in Bolivia, a positive trend developing over the course of the past fifteen years. Infant mortality, for example, has fallen 40% since 1976. Project interventions will continue to have a positive impact on the nutritional and reproductive health aspects of Bolivians' lives, as measured by USAID strategic objective performance indicators.

Program output performance indicators are also encouraging. Through project level successes and its policy dialogue efforts, USAID is assisting the GOB to design and implement a health care cost recovery strategy. Upper echelon GOB officials are highly receptive to facilitating cost recovery, and are actively committed to developing and institutionalizing the strategy. In addition, USAID finds the GOB's proposed 1993 budget to be encouraging, as it allocates 25% more in health care funding than last year's budget. Finally, inter-ministerial coordination committees have established health related norms, and have implemented immunization campaigns and family planning, diarrheal, Chagas' disease and AIDS/STD prevention and control programs.

Immunization targets for the year were either achieved or surpassed in four of the five areas. Estimated immunization rates of one year old children for 1992 were: Polio, 67%; DPT, 64%; Measles, 68%; and TB, 83%. Although the Mission is proud of these indicators of improvement in delivery of primary health care services and acceptance by the Bolivian population, we must continue our efforts in this area to institutionalize achievements.

C. Monitoring and Evaluations Status and Plans

In measuring progress on achieving the strategic objective, USAID will rely less on secondary data sources (such as UNICEF's *Estado Mundial de la Infancia*), and will make every effort to utilize more reliable primary sources as these become available. Primary

sources include the 1992 National Census, the 1989 Demographic Health Survey (DHS), and the 1988 National Population and Housing Survey. In May, once final data derived from the National Census becomes available, USAID will update baseline information for the appropriate indicators. Each project has a built in monitoring and evaluation system which shows progress on project and purpose level indicators. These results are reported periodically within the Mission and to AID/W. In addition to their usefulness in measuring USAID strategic performance, data from project level monitoring and evaluation and operations research are used to assist the GOB in undertaking policy, program and project interventions.

There is wide recognition that data sources in Bolivia are deficient, although the situation is improving. USAID continues to study available data for accuracy and will fund the 1994 DHS and an analysis of census data in order to better determine progress.

TABLE 1: STRATEGIC OBJECTIVE PERFORMANCE

Bolivia					
STRATEGIC OBJECTIVE NO. 4 Improved family health throughout Bolivia.					
Indicator: Infant mortality rate.					
Unit: Deaths per thousand births		Year	Planned	Actual	
Source: National Population and Housing Survey (NPH), 1988; Demographic Health Survey (DHS), 1989; UNICEF, Estado Mundial de la Infancia, 1993 (UNICEF), (Actual, 1991) Comments: Actual baseline figures for 1984 are based on an average of the NPH & DHS. Planned figures for 1991-1997 are derived from time series analyses based on these sources. Data generated from the 1992 Census will be available in May, 1993.	Baseline	1984	-----	100	
		1991	91	89	
		1992	89		
		1993	88		
		1994	86	***	
		1995	84		
		1996	83		
	Target	1997	81		
Indicator: Child mortality rate.					
Unit: Deaths per thousand births		Year	Planned	Actual	
Source: DHS, 1989; UNICEF (Actual, 1991) Comments: The most reliable data for this indicator is available every 5 years through the DHS. The next DHS is planned for 1994. Planned figures for 1991-1997 derived through a time series analyses based on 1989 DHS.	Baseline	1984	-----	142	
		1991	128	126	
		1992	125		
		1993	121		
		1994	118	***	
		1995	115		
		1996	112		
	Target	1997	109		

Indicator: Maternal mortality.					
Unit: Deaths per hundred thousand live births			Year	Planned	Actual
Source: DHS, 1989		Baseline	1984	-----	373
Comments: UNICEF plans to conduct a nationwide maternal mortality survey in 1993, the first of its kind in Bolivia. The survey will provide baseline data for 1993, from which USAID will project future planned levels for this indicator. Presently, the most reliable available data comes from the 1989 DHS.			1991	345	
			1992	340	
			1993	V	
			1994		***
			1995		
			1996		
Target			1997		
Indicator: Contraceptive prevalence - modern.					
Unit: Percent			Year	Planned	Actual
Source: DHS, 1989		Baseline	1989	-----	12.2
Comments: The most reliable data for this indicator is available every 5 years, through the DHS. The next DHS is planned for 1994. Planned figures for 1991-1997 derived through a time series analyses based on 1989 DHS.			1991	14.6	
			1992	16.0	
			1993	17.5	
			1994	19.0	***
			1995	20.5	
			1996	22.0	
Target			1997	23.5	

Indicator: Contraceptive prevalence - total.					
Unit: Percent		Year	Planned	Actual	
Source: DHS, 1989	Baseline	1989	-----	30.3	
Comments: The most reliable data for this indicator is available every 5 years, through the DHS. The next DHS is planned for 1994. Planned figures for 1991-1997 derived through a time series analyses based on 1989 DHS.		1991	31		
		1992	32.4		
		1993	35.3		
		1994	36.5	***	
		1995	37.8		
		1996	39.1		
	Target	1997	40.5		
Indicator: Adequate Nutritional Status.					
Unit: Percent of 3-36 month old with 2 or more standard deviations below median weight for age		Year	Planned	Actual	
Source: "Maternal & Child Health in Bolivia", a secondary analysis of 1989 DHS.	Baseline	1989	-----	13.3	
Comments: The most reliable data for this indicator is available every 5 years, through the DHS. The next DHS is planned for 1994. At the suggestion of AID/W, USAID has substituted this indicator for the previous stunting indicator. It should be noted that weight for age is more apt to fluctuate than stunting because it is more susceptible to exogenous factors such as climate changes and epidemics.		1991	13.0		
		1992	12.5		
		1993	12.0		
		1994	11.5	***	
		1995	11		
		1996	11		
	Target	1997	11		

STRATEGIC OBJECTIVE NO. 4 Improved family health throughout Bolivia.				
PROGRAM OUTPUT NO. 4.1 Improved development and implementation of health policy.				
Indicator: MOH design and implementation of a health care cost recovery strategy.				
Unit: GOB health cost recovery strategy	Year	Planned	Actual	
Source: GOB		-----		
Comments: This new indicator is the result of USAID's success in the area of health care cost recovery through the Self Financing Primary Health Care project. As a result of this success, USAID will encourage the GOB to design and implement a health care cost recovery strategy on a national level, over a 5 year period. The existence of such a strategy will enable the sustainability of quality health care services in Bolivia.	1992			
	1993			
	1994			
	1995			
	1996			
Target	1997	X		
STRATEGIC OBJECTIVE NO. 4 Improved family health throughout Bolivia.				
PROGRAM OUTPUT NO. 4.2 Improved institutional capabilities within the public/private sectors to deliver preventive and curative health services.				
Indicator: Diarrheal disease cases appropriately treated by ORT.				
Unit: Percent	Year	Planned	Actual	
Source: DHS, 1989	Baseline	-----	23.4	
Comments: Baseline and planned figures are based on the 1989 DHS, the most reliable source for this indicator. Data available every five years.	1991	35		
	1992	38		
	1993	41		
	1994	43	***	
	1995	46		
	1996	49		
Target	1997	52		

Indicator: One year old children immunized against DPT.					
Unit: Percent of one year olds receiving third dose		Year	Planned	Actual	
Source: Ministry of Health (MOH), Pan American Health Organization (PAHO)	Baseline	1987	-----	13	
Comments: 1/ Differs from estimated figure reported in last year's Action Plan because it is the actual, confirmed MOH, PAHO figure made public after Action Plan reporting period. 2/ Estimate.		1991	60	51 1/	
		1992	65	64 2/	
		1993	68		
		1994	70		
		1995	72		
		1996	74		
	Target	1997	76		
Indicator: One year old children immunized against Measles.					
Unit: Percent of one year olds		Year	Planned	Actual	
Source: MOH, PAHO	Baseline	1987	-----	17	
Comments: 1/ Differs from estimated figure reported in last year's Action Plan because it is the actual, confirmed MOH, PAHO figure made public after Action Plan reporting period. 2/ Estimate. 3/ Maintaining a level of 80% is considered by experts to be achievable and satisfactory for Bolivia, given resource availability and constraints.		1991	75	73 1/	
		1992	78	68 2/	
		1993	81		
		1994	80 2/		
		1995	80		
		1996	80		
	Target	1997	80		

Indicator: One year old children immunized against Polio.					
Unit: Percent of one year olds receiving third dose		Year	Planned	Actual	
Source: MON, PAHO	Baseline	1987	-----	15	
Comments: 1/ Differs from estimated figure reported in last year's Action Plan because it is the actual, confirmed MOH, PAHO figure made public after Action Plan reporting period. 2/ Estimate.		1991	60	66 1/2	
		1992	65	67 2/3	
		1993	68		
		1994	70		
		1995	72		
		1996	74		
	Target	1997	76		
Indicator: Children immunized against TB.					
Unit: Percent of one year olds		Year	Planned	Actual	
Source: MOH, PAHO	Baseline	1987	-----	30	
Comments: 1/ Differs from estimated figure reported in last year's Action Plan because it is the actual, confirmed MOH, PAHO figure made public after Action Plan reporting period. 2/ Estimate.		1991	65	67 1/2	
		1992	68	83 2/3	
		1993	80		
		1994	80		
		1995	80		
		1996	80		
	Target	1997	80		

Indicator: Women of reproductive age immunized against Tetanus.					
Unit: Percent of women receiving second dose of TT		Year	Planned	Actual	
Source: MOH, PAHO	Baseline	1987	-----	2	
Comments: 1/ Estimate. Official figures to be available 1/18/93, confirmed 1/28/93. 2/ Due to intensive campaigns, actual levels higher than planned, therefore Mission has upwardly revised planned figures.		1991	25	52	
		1992	30	60 1/2	
		1993	31		
		1994	60 2/3		
		1995	63		
		1996	66		
	Target	1997	70		
Indicator: Access to Improved Water.					
Unit: Percent of population, urban/rural		Year	Planned	Actual	
Source: "Agua para todos: Plan Nacional de Agua Potable y Saneamiento" 1992, Ministry of Urban Affairs	Baseline	1990	-----	74.2/29.7	
Comments: The source is the only one of its kind available for Bolivia. It is expected that it will be published annually.		1991	73.8/31.0		
		1992	73.9/32.9		
		1993	74.3/35.2		
		1994	74.9/37.9		
		1995	75.6/40.8		
		1996	76.3/44.0		
	Target	1997	77.2/47.7		

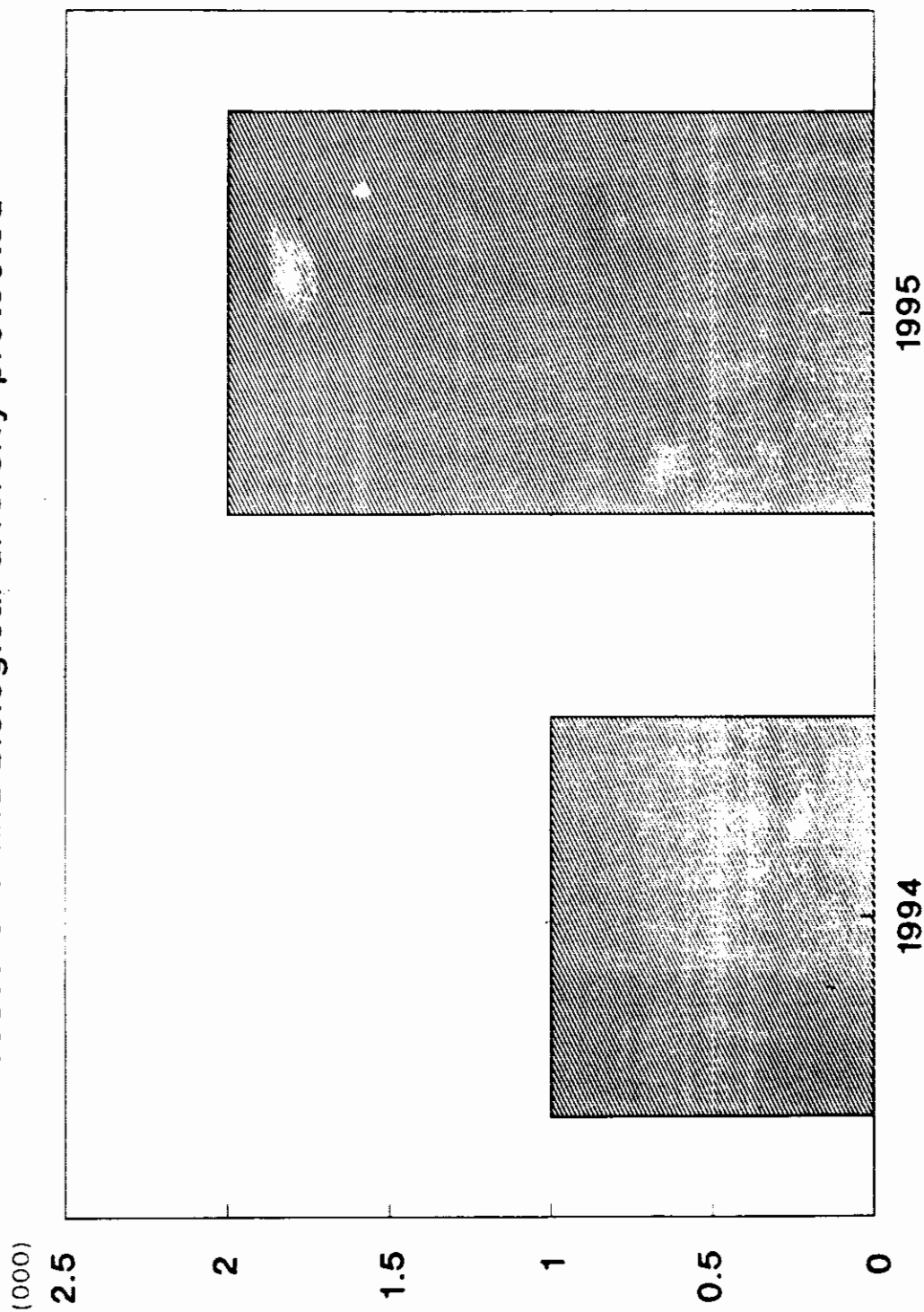
Indicator: Exclusive breastfeeding for three to four months.				
Unit: Percent	Year	Planned	Actual	
Source: "Maternal and Child Health in Bolivia", a secondary analysis of 1989 DHS	1989	-----	42.7	
Comments:	1991	44.5		
	1992	47.5		
	1993	50.0		
	1994	53.0	***	
	1995	56.0		
	1996	57.0		
	Target	60.0		
STRATEGIC OBJECTIVE NO. 4 Improved family health throughout Bolivia.				
PROGRAM OUTPUT NO. 4.3 Improved health knowledge, attitudes, and practices among Bolivians.				
Indicator: Indicators for this program output are the same as those for output 4.2.				
Unit: Units for these indicators are the same as those for indicators under output 4.2	Year	Planned	Actual	
Source: Sources for these indicators are the same as those for the indicators under output 4.2		-----	Indicators are the same as 4A	
Comments: See comments for indicators under output 4.2	1992			
	1993			
	1994			
	1995			
	1996			
	Target			

TABLE 2: STRATEGIC OBJECTIVE PROGRAM "TREE"

Bolivia		
Bureau Objective 1: Support the achievement of broadly-based, sustainable economic growth		
Bureau Sub-objective 1.C: Encourage increased economic opportunities for the disadvantaged		
STRATEGIC OBJECTIVE NO. 4: Improved family health throughout Bolivia		
PROGRAM OUTCOME NO. 4.1 Improved development and implementation of health policy	PROGRAM OUTCOME NO. 4.2 Improved institutional capabilities within the public/private sectors to deliver preventive and curative health services	PROGRAM OUTCOME NO. 4.3 Improved health knowledge, attitudes, and practices among Bolivians
Projects (Number\Title)	Projects (Number\Title)	Projects (Number\Title)
0568 Reproductive Health	0568 Reproductive Health	0568 Reproductive Health
0594 Community and Child Health	0594 Community and Child Health	0594 Community and Child Health
0607 Self-Financing Primary Health II	0620 PVO Child Survival II	0620 PVO Child Survival
0608 HIV/STDs Prevention and Control	0607 Self-Financing Primary Health II	0607 Self-Financing Primary Health II
936-3035 Population Policy Initiatives OPTIONS II	0608 HIV/STDs Prevention and Control	0608 HIV/STDs Prevention and Control
936-3054 International Population Fellows Program	0613 Drug Awareness	0613 Drug Awareness
	0618 CARE Community Development	0618 CARE Community Development
	936-3030 Strategies for Improving Services Delivery	0619 Interactive Radio Learning
	936-3038 Family Planning Logistic Management	Urban Development Initiative (PROA)
	936-3045 Training in Reproductive Health JHPIEGO	598-0786 Accelerated Immunization
	936-3049 Association for Voluntary Surgical Contraception	936-3031 Family Planning Training for PAC IIB

	936-3050 Population Council Program Grant	936-3046 Demographic Data Initiatives
	936-3055 Family Planning Management Development	936-3051 Contraceptive Social Marketing
	936-5116 Vitamin A for Health (VITAL)	936-3052 Population Communication Services
	936-5948 Vector Biology and Control	936-3057 Central Contraceptive Procurement
	936-5970 T.A. in AIDS and Child Survival	936-3061 Initiatives in Natural Family Planning
	936-5991 Data for Decision Making	936-5966 Mothercare/JSI
	936-5600 Computer Aided Identification of American Sandflies	

E. Reduced degradation of forest, soil and water resources and biological diversity protected



Indicator: Hectares under improved management (Thousands).

1. Narrative

A. Refinements in Strategic Objective and/or Outputs

The Environment strategic objective laid out in last year's Program Objectives Document (POD) still applies, with a minor modification. We have added biodiversity to the strategic objective statement, an area in which USAID has been, and will continue to be, an important actor. As stated, this is an ambitious strategic objective. However, we believe USAID's role as a lead donor in providing assistance, supporting policy, legislative and institutional change, and in coordinating efforts in this area warrants such a far-reaching goal.

We have modified our strategic objective indicators, as well as selected program outputs and indicators. For example, we no longer believe collecting primary, nationwide data for deforestation and soil/water quality is wise, especially since many factors beyond Mission influence weigh heavily on such indicators. Therefore, these have been refocussed and consolidated into one indicator to reflect related changes in area under improved management practices.

As a new Mission strategic objective, several of the outputs and output indicators presented in 1992 were necessarily indicative in nature. With new information, some have been modified or dropped. To illustrate, last year's Program Output 1 ("Build consensus with the public and private sectors on key environment and natural resource constraints and opportunities") has been largely achieved. Bolivia's innovative and participatory environmental Action Plan is now almost finished, with both the three regional and two national workshops carried out. Thanks to USAID support, a final document is expected before the end of the year. This will help guide public and private sector investment in the environment for years to come.

Last year's final Program Output ("Strengthen sustainable forestry, soils and water management initiatives") has been dropped, as it echoes the strategic objective statement. In its place we have substituted a new, more operational Program Output, "Increased forest value to discourage forest conversion." Efforts will focus on making forested lands worth more with forests than without, providing important positive incentives to leave the forests standing. Four indicators will be used to judge progress. Two will focus on identification and marketing of new, sustainable sources of forest income, while two will aim at improving the policy context to encourage investment in long-term forest management. Such changes will play a key role in achieving the strategic objective.

The Strategic Objective Committee for the Environment believes this kind of "fine tuning" of objectives, outputs, and indicators

is inevitable as new information becomes available, and as Mission and GOB capacities continue to develop. At the same time it is apparent that the Mission's commitment to achieving this strategic objective is serious and sustained, with major new project initiatives, increased training, an expanded PL-480 emphasis on the environment, and the newly established Environmental Account through the Enterprise for the Americas Initiative all working together to achieve the desired outputs.

B. Strategic Objective Performance

Progress on this objective has been excellent. In 1992 USAID assumed a leading role among donors in helping the GOB to begin to reduce degradation of Bolivia's forest, soil and water resources, and to conserve biological diversity. Many targets for 1992 have been met or exceeded and critical legal and institutional benchmarks were achieved. However, the Mission's decision to become the first in LAC to experiment with the new Design and Performance (DAP) method of contracting, using the Sustainable Forestry Management Project as the test case, has meant some revision in target dates for certain indicators. The Mission is hopeful that DAP will improve project performance and progress on the strategic objective, and may offer important lessons for the LAC Bureau on this new method of contracting.

The Enterprise for the Americas Administrative Council is now fully operational, reviewing proposals and awarding grants for environmental action. The Council (with majority representation from local NGOs) will oversee roughly \$2 million per year (\$21.8 million total) in grassroots activities in better environmental management. In addition to accomplishing important work in the environment, it also will play a key role in strengthening Bolivia's human resource base. With USAID support, Bolivia continues to lead Latin America in this important Initiative.

The new Sustainable Forestry Management project will play an important role in building consensus on key environmental issues. To date, the PID has been written and approved, the RFP issued, and a DAP contract awarded. The PID was used for an AID/W-USAID/Bolivia gender training workshop, and gender concerns will figure heavily in design of this new project. An approved project paper is expected by May; implementation will begin shortly thereafter, meeting the 1993 target.

Substantial progress has also been made on last year's Program Output 2 ("Improve public and private sector institutional capacity for sustainable resource use and environmental protection"). In 1992 Bolivia's ground-breaking General Environmental Law was passed by both houses of Congress and signed by the President, and work on accompanying regulations has begun. An important new Biological Diversity law also was drafted, with USAID collaboration and PL-480 local currency

financial support, and is now being reviewed by the Bolivian Congress. Progress with decentralization of Bolivia's forestry agencies continued, with two of the country's most important regional centers, Santa Cruz and Trinidad, now having virtually autonomous decision-making powers. A nationwide restructuring of the Forestry Development Center and greater regional authority is expected with eventual passage of a new forestry law.

Technical assistance to both the National Environmental Fund (FONAMA) and the National Environmental Secretariat (SENMA) is helping to strengthen their institutional capabilities to manage Bolivia's environmental affairs. A path-breaking agreement was reached with the League for the Defense of the Environment (LIDEMA, an "umbrella" NGO that coordinates the activities of 17 environmental groups), providing infrastructure support and an endowment fund to help offset operating expenses and improve long-term sustainability. Finally, USAID training activities helped strengthen the capacities of public and private sector institutions by reinforcing their human resource base.

Progress on Program Output 3 ("Increased public awareness of environment/natural resources issues") has been good, with preparation of several high-quality environmental education videos and development of radio curricula. The Cochabamba Regional Development Project (CORDEP) also is placing greater emphasis on environmental education, in particular for residents living near Amboro and Isiboro-Secure national parks. The Enterprise for the Americas Initiative's Environmental Account will support a range of NGO-managed activities in environmental education. However, the Mission's current heavy workload, combined with its serious emphasis on insuring adequate management capability for all projects, has forced the postponement of the planned Environmental Awareness project until FY 1995. Timing for the original performance indicator ("Plan developed for environmental education in selected areas") will therefore be pushed back.

C. Monitoring and Evaluation Plans

The Strategic Objective Committee's internal monitoring and evaluation has already helped refine the Mission's Environmental program. In addition, it has insured that all recommendations from the comprehensive 1988 assessment of tropical forestry and biological diversity have been acted upon. Nevertheless, the Committee feels a more comprehensive monitoring and evaluation system is needed to measure field-level impact. One key data source will be the Sustainable Forestry Management Project's planned monitoring and evaluation plan. Several other Mission activities also play important roles. The members of the Committee will continue to bring that information to bear on tracking progress towards the strategic objective, and on improving USAID/Bolivia's program for the environment.

TABLE 1: STRATEGIC OBJECTIVE PERFORMANCE

Bolivia					
STRATEGIC OBJECTIVE NO. 3 Reduced degradation of forest, soil and water resources and protected biological diversity.					
Indicator: Increased biodiversity, and decreased deforestation-rates and improved soil and water quality/quantity with increased area under improved management practices.					
Unit: Hectares under improved management		Year	Planned	Actual	
Source: ARD/USAID, FONAMA	Baseline	1994	-----	N/A	
Comments:		1992	N/A	N/A	
		1993	N/A		
		1994	1,000		
		1995	2,000		
		1996	5,000		
	Target	1997	50,000		
STRATEGIC OBJECTIVE NO. 3 Reduced degradation of forest, soil and water resources and protected biological diversity.					
PROGRAM OUTPUT NO. 3.1 Increased forest value to discourage forest conversion.					
Indicator: New, sustainable sources of forest income identified.					
Unit: No. products		Year	Planned	Actual	
Source: ARD/USAID, FONAMA	Baseline	1994	-----	N/A	
Comments:		1992	N/A	N/A	
		1993	N/A	N/A	
		1994	2		
		1995	2		
		1996	3		
	Target	1997	3		

Indicator: Total value of forest products sustainably harvested increased.				
Unit: U.S. dollars		Year	Planned	Actual
Source: ARD/USAID, FONAMA	Baseline	1994	-----	N/A
Comments:		1992	N/A	N/A
		1993	N/A	
		1994	1,000	
		1995	5,000	
		1996	10,000	
	Target	1997	50,000	
Indicator: Recommendations developed for new regulations on forestry concessions.				
Unit:		Year	Planned	Actual
Source: PL-480, new forestry project	Baseline	1992	-----	-----
Comments:		1993	Completed and presented to Government	Pending
		1994	Completed and presented to Government	
		1995		
		1996		
	Target	1997		

Indicator: Recommendations developed on improved GDB resource tenure policies.				
Unit:		Year	Planned	Actual
Source: PL-480, New forestry project	Baseline	1993	-----	N/A
Comments:		1992	N/A	N/A
		1993	Draft recommendations	
		1994		
		1995		
		1996		
	Target	1997		
STRATEGIC OBJECTIVE NO. 3 Reduced degradation of forest, soil and water resources and protected biological diversity.				
PROGRAM OUTPUT NO. 3.2 Improved public and private institutional capacity for sustainable resource use and environmental protection.				
Indicator: Plan to strengthen capacity to implement Pausa Ecologica.				
Unit: Plan		Year	Planned	Actual
Source: PL-480, GDF	Baseline	1992	-----	Draft plan developed
Comments:		1992	Draft plan developed	Done
		1993	Final plan presented to government	
		1994		
		1995		
		1996		
	Target	1997		

Indicator: Regulations developed for components of General Environmental law.				
Unit:	Year	Planned	Actual	
Source: PL-480, Government of Bolivia	1991	-----	Law approved by one house	
Comments:	1992	Law approved; work on regulations begins		
	1993	Regulations presented to GOB		
	1994			
	1995			
	1996			
	Target			
STRATEGIC OBJECTIVE NO. 3 Reduced degradation of forest, soil and water resources and protected biological diversity.				
PROGRAM OUTPUT NO. 3.3 Increased public awareness of environmental protection and sustainable natural resources management issues.				
Indicator: Improved public knowledge of environmental protection.				
Unit: People (resource users)	Year	Planned	Actual	
Source: FONAMA, CORDEP, Drug awareness project, New forestry project, Interactive radio learning project	1994	-----	N/A	
Comments:	1992	N/A	N/A	
	1993	N/A		
	1994	1,000		
	1995	5,000		
	1996	10,000		
	Target	25,000		

TABLE 2: STRATEGIC OBJECTIVE PROGRAM "TREE"

Bolivia		
Bureau Objective 1: Support the achievement of broadly-based, sustainable economic growth		
Bureau Sub-objective 1.D: Encourage preservation and sustainable use of the natural resource base.		
STRATEGIC OBJECTIVE NO. 3: Reduced degradation of forest, soil and water resources and protected biological diversity.		
PROGRAM OUTCOME NO. 3.1 Increased forest value to discourage forest conversion	PROGRAM OUTCOME NO. 3.2 Improved public and private institutional capacity for sustainable use and environmental protection	PROGRAM OUTCOME NO. 3.3 Increased public awareness of environmental protection and sustainable natural resources management issues
Projects (Number\Title)	Projects (Number\Title)	Projects (Number\Title)
PL-480 Title III	PL-480 Title III	PL-480 Title III
Enterprise for the Americas Initiative	Enterprise for the Americas Initiative	Enterprise for the Americas Initiative
936-5438 Development Strategies for Fragile Lands	0621 Sustainable Forestry Management	0621 Sustainable Forestry Management
	0611 Bolivian Peace Scholarship Program	0597 Interactive Radio Learning
	936-5554 Conservation of Biological Diversity	0618 CARE Community Development
	598-0780 Environmental Support	0594 Community and Child Health

PERFORMANCE NARRATIVE: PL-480 TITLE II AND IIII. Title III

The PL-480 Title III program directly supports four of the Mission's strategic objectives: Alternative Development, Environment, non-coca Trade and Investment and Family Health. A fifth objective, unique to PL-480, is the promotion of food security. Under the 1992-94 Title III agreement approximately \$15 million per year are generated from the annually sale of about 135,000 metric tons of wheat. Approximately 70 percent of this amount is programmed as counterpart to USAID-funded projects which support the Mission's objectives, especially Alternative Development and the Environment. The remaining Title III local currency are used for wheat production and agricultural development.

The Executive Secretariat (ES), which was created in 1978, manages the funds generated from the sale of Title III wheat in a special account and oversees the activities which are funded. One of the special characteristics of the Title III program is the participation of the private sector in the importation and sale of the wheat through a bidding process managed by the ES. Local millers bid for the wheat at competitive market prices, participate in the procurement of the wheat, and are responsible for its importation into this land-locked country from the point it is loaded on ships from Gulf ports in the United States.

The 1992-1994 agreement includes policy objectives in three areas: (1) the development and enforcement of a new environmental law; (2) sustainable development of forestry resources; and, (3) improvement of land tenure. In April 1992, the environmental framework law was signed by the President of Bolivia, after passage by Congress. This represents a watershed event in Bolivian environmental affairs, and lays the groundwork for improved natural resource management and environmental protection. Also, in July 1992, the Environmental General Secretariat (SENMA) drafted plans to create a joint public-private sector technical commission to develop regulations needed to implement the specific components of this law. In addition, on November 26, 1991 an environmental framework agreement was signed between the United States Government and the GOB to create a special environmental account in the Environmental Development Fund (FONAMA) under the Enterprise for the Americas Initiative. This account will receive an eventual total of \$21.8 million and the NGO dominated Enterprise for the Americas Administrative Council will channel these resources to support grassroots initiatives in the environment.

This year's annual required evaluation was carried out on the noncounterpart health activities by the ES. The evaluation found that the program had contributed substantially to the improvement

in immunization coverage and to decreasing the incidence of communicable diseases throughout Bolivia. In July, a team from the General Accounting Office evaluated the Title III Program. It concluded that USAID has taken a proactive approach to address changes resulting from the 1990 Farm Bill amendment. The team also concluded that the program is having a positive effect on food security in Bolivia.

II. Title II

The Title II program directly supports three of the Mission's objectives: Alternative Development, Strengthening Democracy and Family Health. A fourth unique objective of the Title II program is food security. The purposes of the PL-480 Title II program are to give access to poor neighborhoods to participate in municipal decision making to build needed infrastructure and services and create temporary employment in cities and towns; support health and nutritional status of mothers and preschool children; reduce attrition rates among primary school students under the school feeding program; and, provide humanitarian and emergency assistance.

The Title II program works through four cooperating sponsors: 1) Caritas Boliviana (Caritas); 2) the Adventist Development and Relief Agency (ADRA); Food for the Hungry International (FHI); and Project Concern International (PCI). During FY 1992, the landed value of the 48,658 metric tons of Title II commodities imported into Bolivia was \$20 million. Approximately 55 percent of these resources were allocated to the municipal food for work program in 8 cities and 22 rural towns to support household food security of unemployed workers and the Alternative Development and Strengthening Democracy objectives of the Mission. This program provided 157,535 person months of temporary employment and supported 2,174 infrastructure projects. The program has been successful in giving access to municipal decision-making and in obtaining services and infrastructure for poor neighborhoods, normally neglected by urban authorities. During the FY 1993-97 period, approximately 75 percent of Title II resources will be dedicated to this highly successful program.

The school feeding program has reached an average of 138,368 primary school children and has been successful in reducing the drop out rate by 35% in both urban and rural areas. Child survival services have been provided to 14,797 preschool children, thereby reducing the high incidence of child mortality and morbidity.

A recent evaluation of the Title II Monetization Program for rural development projects shows that FHI is having a significant impact on increasing the nutritional intake and food security of poor rural families through the construction of greenhouse and potable water wells in over 200 communities in the poorest areas

of the Bolivian highlands. The evaluation recommended that Caritas and ADRA could have more of a positive effect on poor farm families by removing marketing constraints to traditional crops and by increasing their micro irrigation projects in drought prone areas. USAID has plans to implement this recommendation.

Through monetization, an innovative program of providing business skill training and financing communal banks for poor women groups in the city of El Alto is showing substantial results in improving small businesses controlled by women, and offers potential for expansion throughout Bolivia.

In summary, the PL-480 Title II and III programs are integral components of the Mission's strategic objectives and are contributing to providing a safety net for the unemployed, building needed infrastructure in poor neighborhoods, and supporting household food security throughout Bolivia.

SECTION II. Portfolio Analysis

USAID/Bolivia's project portfolio faced two important and distinct cross currents: the need, on one hand, to continue focussing and concentrating the program on well defined and limited strategic objectives; and, on the other hand, to rapidly develop and implement an Alternative Development program as part of the USG's counter-narcotics strategy. The Mission responded to the challenge of Alternative Development and put together a project portfolio that began to have rapid impact during the NSD-18 funding period (FY 1991-94). The resulting project mortgages, number of active projects in the portfolio, and a likely downward ESF funding spiral indicate more than ever that USAID/Bolivia must responsibly emphasize program implementation at the expense of new starts during the Action Plan period.

During FY 1994, USAID/Bolivia plans to authorize two new activities, the ESF Balance of Payments Program (511-0606), supporting the transformation of the Bolivian economy from significant dependence on coca/cocaine production, and an Agricultural Research Foundation project (511-0632), supporting non-coca trade and investment. In FY 1995, the Mission intends to authorize one new project, the Environmental Awareness project (511-0627) to support our environmental strategic objective. We also will amend one ongoing project, Export Promotion (511-0585), and continue ESF Balance of Payments and the PL 480 Title III programs.

Seven AID-funded projects will terminate during FY 1993 as current PACDs are reached. A further four projects are due to terminate during FY 1994 and another five in FY 1995. The number of active projects in the portfolio is thus being reduced from 33 at the end of FY 1992, to 30 by the end of FY 1993, to 27 by the end of FY 1994, and 23 by the end of FY 1995.

TERMINATING PROJECTS

A. FY 93

- 1) 12/31/92 Private Agricultural Organizations 511-0598
- 2) 12/31/92 Policy Reform 511-0571
- 3) 05/31/93 Justice Sector 511-0609
- 4) 03/31/93 Human Rights Initiatives 598-0591
- 5) 01/22/93 Market Town Capital Formation 511-0573
- 6) 09/30/93 Planning Assistance OPG 511-0578
- 7) 09/30/93 National Rural Household Survey 511-0612

B. FY 94

- 1) 03/31/94 Democratic Institutions 511-0610
- 2) 03/30/94 Strengthening Financial Markets 511-0598

- 3) 06/30/94 Displaced Children 511-0624
- 4) 09/30/94 Andean Peace Scholarships 511-0603

C. FY 95

- 1) 03/28/95 CARE Community Development 511-0618
- 2) 06/30/95 Training for Development 511-0584
- 3) 07/31/95 Management Training 511-0580
- 4) 09/30/95 Community and Child Health 511-0594
- 5) 09/30/95 AIDS Prevention and Control 511-0608

NEW PROJECT DESCRIPTION

LAC Bureau Goal: Respond to specific challenges.

Sub-goal: Diminish participation in production, trafficking and abuse of narcotics.

Mission Strategic Objective: Bolivian economy transformed from significant dependence on coca/cocaine production.

Project Name: FY 94 BALANCE OF PAYMENTS SUPPORT

Project Number: 511-0606

Fiscal Year: 1994

Project Funding: \$70.0 million

Type of Funding: Economic Support Fund (NSD-18)

A. Consistency of Project with Mission Strategy

The goal of this program is to support implementation of sound economic and counter-narcotics policies in Bolivia. The purpose of the program is to provide balance of payments assistance in support of the Government of Bolivia's Economic Reactivation and Counter-narcotics program. The project goal and the Mission strategy are one and the same --

to transform the Bolivian economy from significant dependence on coca/cocaine production. Preliminary indicators will track continued improvements in macroeconomic performance, such as increased private investment and a steady inflation rate.

2. The purpose of the project is to provide balance of payments assistance in support of the GOB's economic recovery program, to offset foreign exchange losses from reduction in the cocaine trade, and to help pay for investment in alternative industries. Purpose level indicators will be tied to disbursement conditionality, and may include continued coca eradication and interdiction targets. NSD funds were originally legislated for a four year period, FY 1991 - FY 1994. Alternative Development is a longer term program which will be implemented through this Action Plan's time frame. The Balance of Payments program is a vital component of the program, and should also be continued.

B. Relationship to A.I.D. and to Other Donor Activities

This is a continuation of a four-year NSD-18 funded ESF program begun in FY 1991. The GOB negotiated a three-year Enhanced Structural Adjustment Facility (ESAF) with the IMF in mid-1988, which was extended for a fourth year in 1992. The GOB is also successfully implementing complementary structural adjustment programs supported by the IBRD and the IDB. The GOB successfully concluded Paris Club negotiations on

January 24, 1992 under the new Trinidad terms.

C. Relationship of Project to Overall A.I.D. Policy Objectives

The ESF balance of payments assistance program supports the basic goals of USG policy in Bolivia, which are: a) support for a stable and democratic government and institutionalization of the democratic process, b) private sector led economic recovery and promotion of self-sustaining economic growth, and c) narcotics control.

D. Project Description

This ESF program will continue to provide balance of payments assistance in support of the GOB's economic stabilization and reactivation efforts. It will contribute foreign exchange resources to finance imports of raw materials, spare parts, intermediate and capital goods from the United States. Through the generation of local currency, the ESF program will provide the GOB with funds to meet the GOB counterpart requirements to finance key USAID projects (including the Alternative Development Program), GOB and multilateral donor projects. Local currencies programmed under this project directly benefit the target populations of USAID and other donor development projects in high priority sectors.

E. Planned Implementation Arrangements

Funds will be obligated through a bilateral agreement. The GOB's Ministry of Planning will implement the program and will direct and monitor the uses of associated local currency.

F. Sustainability

This program contributes to the Government of Bolivia's national program to achieve broadly based, sustainable economic growth.

G. Mission Management Role

As with past balance of payments programs, USAID/Bolivia's Economics Office will continue to monitor economic indicators. The Project Development and Implementation Office will continue to monitor compliance with program conditionality as well as the Ministry of Planning's management of the jointly programmed uses of associated local currency.

H. Potential Issues

The program will depend on continued adherence by the GOB to sound economic policy implementation and compliance with mutually agreed upon counter-narcotics measures. The GOB did not fully comply with coca eradication targets for FY 92, resulting in less than full disbursement of the final tranche under the FY 1992 program.

NEW PROJECT DESCRIPTION

LAC Bureau Goal: Respond to specific challenges.

Sub-goal: Diminish participation in production, trafficking and abuse of narcotics.

Mission Strategic Objective: Alternative Development.

Project Name: FY 1995 BALANCE OF PAYMENTS SUPPORT

Project Number: 511-0630

Fiscal Years: 1995

Project Funding: \$40.0 million

Type of Funding: Economic Support Fund (NSD-18)

A. Consistency of Project with Mission Strategy

1. The project goal and the Mission strategy are one and the same -- to transform the Bolivian economy from significant dependence on coca/cocaine production. Preliminary indicators will track continued improvements in macroeconomic performance, such as increased private investment and a steady inflation rate.
2. The purpose of the project is to provide balance of payments assistance in support of the GOB's economic recovery program, to offset foreign exchange losses from reduction in the cocaine trade, and to help pay for investment in alternative industries. Purpose level indicators will be tied to disbursement conditionality, and may include continued coca eradication and interdiction targets. NSD funds were originally legislated for a four year period, FY 1991 - Fy 1994. Alternative Development is a longer term program which will be implemented through this Action Plan's time frame. The Balance of Payments program is a vital component of the program, and should also be continued.

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This is a continuation of the four-year NSD-18 funded ESF program begun in FY 1991. The GOB negotiated a three-year Enhanced Structural Adjustment Facility (ESAF) with the IMF in mid-1988, which was extended for a fourth year in 1992. The GOB is also successfully implementing complementary structural adjustment programs supported by the IBRD and the IDB. The GOB successfully concluded Paris Club negotiations on January 24, 1992 under the new Trinidad terms.

C. Relationship of Project to Overall A.I.D. Policy Objectives

The ESF balance of payments assistance program supports the basic goals of USG policy in Bolivia, which are: a) support for a stable and democratic government and institutionalization of the democratic process, b) private sector led economic recovery and promotion of self-sustaining economic growth, and c) narcotics control.

D. Project Description

The goal of this program is to support implementation of sound economic and counter-narcotics policies in Bolivia. The purpose of the program is to provide balance of payments assistance in support of the Government of Bolivia's Economic Reactivation and Counter-narcotics programs.

This ESF program will continue to provide balance of payments assistance in support of the GOB's economic stabilization and reactivation efforts. It will contribute foreign exchange resources to finance imports of raw materials, spare parts, intermediate and capital goods from the United States. Through the generation of local currency, the ESF program will provide the GOB with funds to meet the GOB counterpart requirements to finance key USAID projects (including the Alternative Development Program), GOB and multilateral donor projects. Local currencies programmed under this project directly benefit the target populations of USAID and other donor development projects in high priority sectors.

E. Planned Implementation Arrangements

Funds will be obligated through a bilateral agreement. The GOB's Ministry of Planning will implement the program and will direct and monitor the uses of associated local currency.

F. Sustainability

This program contributes to the Government of Bolivia's national program to achieve broadly based, sustainable economic growth.

G. Mission Management Role

As with past balance of payments programs, USAID/Bolivia's Economics Office will continue to monitor economic indicators. The Project Development and Implementation Office will continue to monitor compliance with program conditionality as well as the Ministry of Planning's management of the jointly programmed uses of associated local currency.

H. Potential Issues

The program will depend on continued adherence by the GOB to sound economic policy implementation and compliance with mutually agreed upon counter-narcotics measures.

NEW PROJECT DESCRIPTION

LAC Bureau Objective: Support achievement of broadly-based, sustainable economic growth.

Sub-objective Encourage a vigorous private sector response.

Mission Strategic Objective: Increased non-coca trade.

Project Title: AGRICULTURAL RESEARCH FOUNDATION

Project No.: 511-0632

Funding: FY 1994 - FY 1999
LOP: \$ 2.0 million (DA)
\$15.0 million (Counterpart)

A. Consistency of Project with Mission Strategy

1. This project's goal is to contribute to the Mission's strategic objective of increasing non-coca trade by promoting investment in agricultural technologies which are necessary to develop and disseminate crops which are alternatives to coca production. Preliminary verifiable indicators will be the establishment of a permanent private sector foundation which is independent of the vagaries of government politics and budgetary problems.
2. The project's purpose is to improve Bolivia's competitiveness as a domestic producer and international exporter of non-coca agricultural products by ensuring a permanent capacity to respond to the private sector's demand for improved technology. Preliminary verifiable indicators will be non-coca crops researched and identified for commercial production for the domestic and regional markets, and the value of their exports.

B. Relationship to A.I.D. and other Donor Activities

The IBRD is taking the lead in basic agricultural research support by providing assistance in the area of institutional development to the Bolivian Agricultural Research Institute (IBTA). Their support amounts to \$10 million over a five to seven year period. USAID's proposed activity would be complementary by focusing on applied research and commercial development. USAID has two other agricultural research programs in its current portfolio which are targeted at a specific region and a specific product. We support agricultural research and development under the Cochabamba Regional Development Project, which is scheduled to end in 1996. Additional limited on-farm research in wheat production is being funded under the Private Agricultural Organizations Project using PL 480 Title III financing.

C. Relationship of Project to Overall A.I.D. Policy Objectives

Increasing non-coca trade and investment in Bolivia and strengthening the role of the private sector to provide leadership and support for development is one of key strategies for the delivery of ideas, technologies, and financing for sustainable economic progress in the 1990s. This project will establish a new and unique Bolivian private sector agricultural research foundation directly responsive to the Bolivian private agricultural sector. Such a permanent foundation will improve Bolivia's competitiveness as a domestic producer and international exporter by ensuring a permanent capacity to respond to the private sectors' demand for improved technology.

D. Project Description

The proposed project will establish and endow an autonomous, private, agricultural research foundation. The work of the foundation will be to identify and support selected agricultural research activities. Foundation support will consist exclusively of financial grants to capable individuals or institutions performing agricultural research in Bolivia. Priority will be given to practical/adaptive research rather than basic research. Eligible research will include work on agricultural policy, agroindustry, as well as biological/crop research. To the extent feasible, research grants will be complementary to financial contributions provided by private sector enterprises, producer associations, and groups likely to benefit from the research.

E. Planned Implementation Arrangements

A private foundation will be established and be endowed with the equivalent of \$15 million of PL 480 Title III local currency. Policy and fiduciary responsibility of the foundation will be vested in a multinational Board of Trustees of 5 persons. Permanent staff would be minimum, probably 2 or 3 professional persons, who would accomplish the necessary accounting and oversee the routine work of the foundation. The DA grant would provide technical assistance to the foundation trustees and staff during the first 5 years to establish a "Businesslike" approach in this philanthropic enterprise.

F. Sustainability

The financial sustainability of the foundation is assured because the trust will be required to maintain the value of the endowment, disbursing only earnings in excess of inflation.

G. Mission Management Role

The Mission's management responsibility will involve participation in selection of Board of Trustees (and concurrence on any subsequent replacements); and limited review of operating procedures and grant decisions to insure consistency with foundations purposes.

H. Potential Issues

GOB willingness to accept multinational representation on the Board of Trustees and AID/W authorization for USAID to be a member of the Board.

NEW PROJECT DESCRIPTION

LAC Bureau Objective: Support the achievement of broadly based sustainable economic growth.

Sub-Objective: Encourage a vigorous private sector response.

Mission Strategic Objective: Increase non-coca trade.

Project Title: EXPORT PROMOTION (Amendment)

Project Number: (511-0585)

Fiscal Years: FY 1995 - 1997

LOP Funding: \$US 10.0 million
FY 1995: \$2.0 million

Type of Funding: DA

A. Consistency with Mission Strategy

1. Project Goal: Increase Non-coca Trade

Preliminary indicator: None at Goal level

2. Project Purpose: Increase and diversify Bolivia's nontraditional exports.

Preliminary indicators: Value of nontraditional export sales attributable to project assistance

Value of new investment in nontraditional export projects attributable to project assistance

B. Relationships to AID and other donor activities

Since 1985, with the support of Structural Adjustment and other donor programs, Bolivia has implemented the policy reforms which are required to permit diversification and expansion of its exports. Export progress has been slow, not because existing policy is inadequate, but because a history of past instability deters a rapid response by the inexperienced Bolivian private sector. This is precisely the sort of environment where promotional activities -- e.g., technical and informational assistance to exporters -- are likely to make the biggest difference (cf. recent CDIE studies of trade promotion programs). USAID's current Export Promotion Project, whose PACD is in 1995, is showing sound results working with individual businesses. At the government level, the IDB is providing some assistance to address bureaucratic constraints. The World Bank and the Dutch have financed a \$30 million Export Foundation which will invest heavy finance and technology in a few pilot export ventures; assistance provided by this program does not significantly overlap with that provided by existing and proposed USAID programs.

C. Project's Relationship to Policy Objectives

Given the limited size of Bolivia's internal market, export is the only engine which can fuel economic growth; nontraditional exports are crucial because of considerations of diversification and higher value added. Thus, the relevance of this project to the Mission's objective of increasing non-coca trade is obvious. In addition, export growth contributes directly to the Mission's Alternative Development objective, since reduction in Bolivian cocaine traffic is not feasible in political, economic, or humanitarian terms unless alternative sources of employment, income, and foreign exchange can be expanded.

D. Project Description

The proposed project amendment will be a continuation of the technical assistance and investment promotion to individual companies and producer groups. Given new legislation and political sensitivities, the foreign investment promotion would concentrate on neighboring countries, and any promotion in the U.S. would be restricted to sectors (such as nontraditional mining) which pose no risk to U.S. jobs. Expected impacts would include about \$30 million in new exports, \$15 million in new investment, and 3,000 new jobs.

E. Implementation Arrangements

The proposed project amendment will be implemented under a contract with a U.S. consulting firm.

F. Sustainability

The project's enduring contribution to Bolivia would be to foster self-sustaining new industries which continue into the indefinite future generating jobs and foreign exchange, and providing a demonstration effect which encourages the entry of further new exporters. The project would not commit itself to leave behind a permanent export assistance agency: this strategy is consistent with Bolivian realities and with the lessons of experience in other countries, as documented by extensive World Bank and A.I.D. studies.

G. Mission Management Role

Management and oversight of the contract under which the project is implemented would require the presence of a full-time project manager (probably a PSC) in the Mission.

H. Potential Issues

See D. and F. above.

NEW PROJECT DESCRIPTION

LAC Bureau Objective: Support the achievement of broadly based economic growth.

Sub-Objective: Encourage preservation and sustainable use of the natural resource base.

Mission Strategic Objective: Reduce degradation of forest, soil and water resources, and help conserve biological diversity.

Project Title: ENVIRONMENTAL AWARENESS

Project Number: 511-0627

Fiscal Years: FY 1995-1999

LOP Funding: \$5.0 million

Type of Funding: DA

A. Consistency with Mission Strategy

1. The project goal is to reduce degradation of forest, soil and water resources and help conserve biological diversity. Preliminary indicators for this goal include reduced rates of deforestation and degradation of soil and water resources (with increased area under natural forest management).
2. The project purpose is to improve public awareness of environmental protection and sustainable natural resource use, in order to encourage environmentally sound production practices. Preliminary indicators for the project purpose include adoption of improved and appropriate practices for better environmental management in production activities.

B. Relationship to A.I.D. and other Donor Activities

This new initiative will be an important complement to the Sustainable Forestry Management Project (511-0621), and will build on lessons learned in the Interactive Radio Learning Project. Focusing on increasing public awareness of environmental issues, it will encourage greater citizen participation in local and national decision-making affecting the environment, and support Mission efforts to strengthen the democratic process. Finally, it will complement the World Bank's plans to support environmental education in Bolivia's primary schools (ETAP Project), by targeting local and national decision-making audiences.

C. Relationship to Overall A.I.D. Policy Objectives

This project will enhance sustainable natural resource use and help protect biological diversity, areas of key concern for both A.I.D. and the U.S. Congress. It will help preserve forest, soil and water resources, and thereby protect the foundations for long-term, broadly based economic growth. It will strengthen Bolivia's fledgling environmental institutions (both NGOs and GOB), and encourage greater

public and private sector dialogue and collaboration for better environmental management. Finally, it will help address key provisions (Articles 81-84) of Bolivia's comprehensive new General Environmental Law, legislation whose development has enjoyed strong USAID support.

D. Project Description

This project will develop multi-media, gender-sensitive environmental awareness programs targeted to decision-makers in rural and urban areas with critical natural resources (e.g. biological diversity "hot spots") and/or important environmental problems (e.g. urban water pollution with indiscriminate disposal of organic and inorganic wastes).

Working closely with the GOB and national and international environmental NGOs, it will also provide follow-on interactive training workshops for government officials, area residents, and community groups, and technical assistance for public forum activities such as scoping exercises for environmental impact assessments. This will dramatically increase citizen participation in environmental decision-making.

E. Implementation Arrangements

This project will be implemented by a partnership of leading local public (e.g., SENMA, FONAMA) and private (e.g., LIDEMA, FAN) sector institutions active in environmental affairs in Bolivia. Utilization of a U.S. institutional contractor is anticipated, in order to provide technical assistance, training, and procure commodities, as needed. The institutional contractor could be procured through a buy-in to the centrally-funded GreenCom project, or be selected independently.

F. Sustainability of Proposed Activities

This project will emphasize building and institutionalizing a sustainable capacity for focused environmental education by leading GOB and NGO institutions. No new institutions are envisioned, and the project is fully consistent with Bolivian national priorities.

G. Mission Management Role

The project will be managed by the Mission's Environmental Officer, or by a PSC under his/her technical supervision.

H. Potential Issues or Innovative Program Approaches

The project will bring together sometimes adversarial public and private sector groups to increase public participation in environmental decision-making. This will require outstanding organizational, institutional and interpersonal skills on the part of the selected contractor.

NEW PROJECT DESCRIPTION

<u>LAC Bureau objectives:</u>	<ol style="list-style-type: none"> 1. Support the achievement of broadly based sustainable growth. 2. Respond to specific challenges.
<u>Sub-Objectives:</u>	<ol style="list-style-type: none"> 1. Diminish participation in production, trafficking and abuse of narcotics. 2. Encourage increased economic opportunities for the disadvantaged. 4. Encourage a vigorous private sector Response. 5. Encourage preservation and sustainable use of the natural resource base.
<u>Mission Strategic Objectives:</u>	<ol style="list-style-type: none"> 1. Bolivian economy transformed from significant dependence on coca/cocaine production. 2. Increase non-coca trade. 4. Improve family health throughout Bolivia. 5. Reduce degradation of forest, soil and water resources.
<u>Project Title:</u>	PL-480 TITLE III PROGRAM
<u>Project No.</u>	N/A
<u>Fiscal Years</u>	FY 1995 - 1997
<u>LOP Funding:</u>	\$US 60.0 million FY 1995: \$20.0 million
<u>Type of Funding:</u>	PL-480 Title III

A. Consistency of Project with Mission Strategy

The PL-480 Title III program supports four of the Mission's objectives and, in addition, food security. In Alternative Development, USAID supports programs to increase investment, productivity, and employment in non-coca activities. The strategy of the Environment/Natural Resources Management objective is to develop more sustainable uses of Bolivia's natural resource base. USAID/Bolivia is supporting this objective with programs to improve forestry and watershed management and policy reform. Under the Trade and Investment objective, the PL-480 program supports increased two-way trade and investment between the U.S. and Bolivia to boost economic activity and increase Bolivia's foreign exchange earnings. The Family Health objective is supported by programs designed to improve the health of mothers and children under

five through child survival programs and massive immunization campaigns. The Bolivian Title III program will continue to make a number of important contributions to food security in the country. The Title III program has enabled Bolivia to import the quantities of wheat needed to prevent per capita calorie availabilities from falling below their already unacceptably low levels. One of the most important actions supported under previous and current Title III programs consists of a series of activities designed to provide the technical basis to improve Bolivia's comparative advantage in domestic wheat production.

B. Relationship to A.I.D. and to Other Donor Activities

Since 1985, the Bolivian Government initiated a major program of macroeconomic reform designed to stabilize the economy and open it up to market forces. This commitment has been maintained through a change in administration. The GOB has taken steps to consolidate and expand the reforms designed to improve the functioning of the country's financial sector, reduce the role of the public sector in productive activities in the economy, and to remove bureaucratic constraints to exports. In addition, the Government has committed itself to design and implement an environmental protection program, which is an integral part of the policy reform objectives of the Title III program.

C. Relationship to Overall A.I.D. Policy Objectives

The PL-480 Title III program will support two of the Bureau's objectives, the achievement of broadly based, sustainable economic growth and responding to specific challenges. The four Mission strategic objectives discussed above were developed to fit squarely into the Bureau's goals.

D. Project Description

The PL-480 program, through the generation of local currency from the sale of Title III wheat to private sector millers, will continue to provide important counterpart funding to projects which support the strategic objective described above and will further support policy reform in the field of environment/natural resources management.

E. Implementation Arrangements

As under previous Title III programs, USAID/B will actively participate in the programming and budgeting of local currency generations. The GOB organization responsible for the daily implementation of the PL-480 program is the Executive Secretariat (ES), which has functioned in this capacity since the first Bolivia Title III program in 1978. The staff of the ES is responsible for implementing policies set by the GOB and USAID, for reviewing and approving, monitoring and evaluating development projects under an agreement, to be signed with the Ministry of Foreign Affairs. Policy Reform issues will be channeled through the Ministry of Planning and Coordination, the Presidency and the Ministry of Agriculture and Rural Development.

F. Sustainability of Proposed Activities

A key feature of the Title III program is its contribution to Bolivia's food security. Approximately 30 percent of the local currency generated under the program is used for agricultural development and wheat production.

G. Mission Management Role

As with past Title III programs, USAID's Office of Agriculture and Rural Development (ARD) will play an active role in managing, monitoring and evaluating the program. The Offices of Health and Human Resources, Trade and Investment, and Project Development and Implementation will also work with ARD in monitoring projects, which are under their development oversight responsibilities. The Office of the Controller has overall responsibility for monitoring the correct use of Title III local currency generations and expenditures under the Agreement.

H. Potential Issues

The program will depend on continued adherence by the GOB to sound policy implementation and compliance with mutually agreed upon policy reform measures.

Table 3: USAID/BOLIVIA PORTFOLIO -- PROJECT TIMELINE BY STRATEGIC OBJECTIVE

PROJECT NUMBER\TITLE Alternative Development:	FY92				FY93				FY94				FY95				FY96				FY97			
	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4
511-0543\Chapare Reg Devel	X	X	X																					
511-0571\Policy Reform	X	X	X	X	X																			
511-0589\Private Ag. Org.	X	X	X	X	X																			
Econ.Recov.Prog. 92-97	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
511-0596\Micro & Small Enterprise	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
511-0612\National Rural Household Survey	X	X	X	X	X	X	X	X																
511-0613\Drug Awareness & Prev.	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
511-0614\Alt.Dev.Electrification	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
511-0616\Tech.Support for Policy Reform				X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
511-0617\Cochabamba Regional Development	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
SUB-TOTAL PROJECTS (number) (at end of FY 4th Quarter) Alternative Development				9				7				6				6								3

PROJECT NUMBER/TITLE Strengthening Democracy	FY92				FY93				FY94				FY95				FY96				FY97			
	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4
511-0578\Planning Assistance OPG			X	X	X	X	X	X																
511-0603\Andean Peace Scholarship	X	X	X	X	X	X	X	X	X	X	X	X												
511-0609\Justice Sector	X	X	X	X	X	X	X	X																
511-0610\Democratic Institutions	X	X	X	X	X	X	X	X	X	X														
511-0611\Bolivian Peace Scholar	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
511-0623\Special Development Activities	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X								
511-0626\Admin of Justice				X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
598-0591\Human Rights Initiatives	X	X	X	X	X																			
AIFLD	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X								
SUB-TOTAL PROJECTS (number) (at end of FY 4th Quarter) Strengthening Democracy				9				7								4				3				2

PROJECT NUMBER\TITLE	FY92				FY93				FY94				FY95				FY96				FY97			
	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4
Non-coca Trade																								
511-0573\Market Town Capital Formation	X	X	X	X	X	X	X																	
511-0577\Industrial Transition	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X				
511-0580\Management Training	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X								
511-0584\Training for Dev.	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X								
511-0585\Export Promotion	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
511-0598\Strengthening Financial Markets	X	X	X	X	X	X	X	X	X	X	X													
511-0631\Human Resources For Development								X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
511-0632\Agricultural Research Foundation									X								X	X	X	X	X	X	X	X
SUB-TOTAL PROJECTS (number) (at end of FY 4th Quarter) Trade & Investment				6				6				6				5				4				3

PROJECT NUMBER\TITLE Family Health	FY92				FY93				FY94				FY95				FY96				FY97			
	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4
511-0568\Reproductive Health	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
511-0592\Narcotics Awareness	X																							
511-0593\Economic Recovery Program 87 - PROA	X	X	X	X	X	X	X	X	X	X	X	X	X											
511-0594\Community & Child Health	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X								
511-0597\Radio Learning	X	X	X																					
511-0601\Child Survival I	X																							
511-0607\Self Financing Primary Health Care II	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X					
511-0608\AIDS/STD Control	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X								
511-0618\CARE Community Development	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X								
511-0619\Interactive Radio Learning	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
511-0620\Child Survival II	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
511-0624\Displaced Children	X	X	X	X	X	X	X	X	X	X	X	X												
SUB-TOTAL PROJECTS (number) (at end of FY 4th Quarter) Family Health				9				9				8				6				3				1

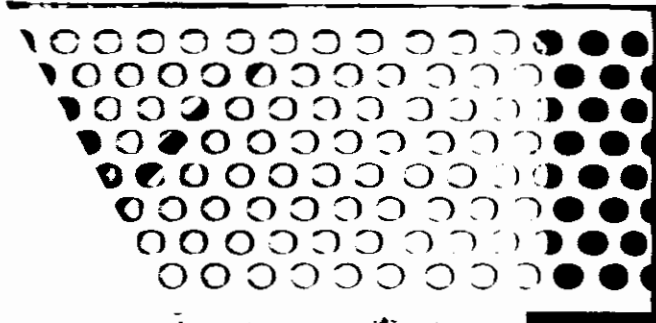
PROJECT NUMBER/TITLE Environment	FY92				FY93				FY94				FY95				FY96				FY97			
	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4
511-0621\Sustainable Forestry Management								X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
511-0627\Environmental Awareness													X	X	X	X	X	X	X	X	X	X	X	X
SUB-TOTAL PROJECTS (number) (at end of FY 4th Quarter) Environment				0				1				2				2				2				2
TOTAL PORTFOLIO				33				30				27				23				18				11

s and forward looking
rich tropical forests and
object initiatives, increasing
ion, an expanded PL-480 local
rogram, and the newly
ore USAID's serious commitment to
ons from the Mission's 1988
and biological diversity are being
has more than kept pace with AID's
is on the environment.

ively new priority for both the GOB and
important conservation challenges remain.
while the GOB is now committed to
11 million hectares (or slightly more
of 10% of the national territory) in 33
areas: 1) only three of these areas enjoy any
on, management, or field presence; 2) 22 of
country's key ecosystems are presently not
B's forest resources lie outside parks and
and little is being done to support more
of these vast forest environments.

has been made on meeting the challenges of
Bolivia's tropical forests and biological diversity.
in 1992 the Mission awarded a grant to The Nature
to improve Bolivian conservation organizations'
protect and responsibly manage Bolivia's flora, fauna,
this is now providing critical technical assistance to
stitutions like FONAMA and the NGO Friends of Nature
ct also will play a leading role identifying ways to
rate sustainable sources of income from the standing forest
le carefully assessing the impact of these new forest use
reserve these income sources while protecting Bolivia's
biological diversity and fragile natural resource base.

USAID/Bolivia commissioned studies to improve the knowledge base
for protection of tropical forests and biological diversity
including a major update to the 1988 report, edited by Bolivia's
Conservation Data Center. In addition, training programs are
giving increasing emphasis to conservation and natural resources
management. Finally, PL-480 local currency financed activities
(e.g., development of new legislation to protect biological
diversity; development of a management plan for the Rios Blanco



and Negro Wildlife Reserve; supporting improved forest management by the GOB's Forestry Development Centers) and the EAI Environmental Account are also important complements to the Mission's program. Together, these add up to a comprehensive and strong support for the protection of tropical forests and biological diversity.

The priorities for action identified in the 1988 assessment remain valid. However, USAID/Bolivia will add a greater emphasis on monitoring and control of private sector performance to ensure that logging concessionaires and other resource users know about and are applying procedures that minimize the detrimental environmental impacts that can accompany forest and wildlife product harvesting. The Mission also believes a greater emphasis on ecocertification is important, targeting growing "green markets" in the U.S. and in Europe in order to increase the value of Bolivia's forest resources and hence discourage forest conversion to other use. Finally, a greater emphasis on research is needed, targeted to such tasks as ethnobotany and alternative forest product development; inventories of flora and fauna, and assessments of their conservation status, management and commercial potential; and better integration of local communities in management of parks and protected areas. The Mission is committed to following up on these important issues, and to maintaining its leadership position in the donor community in helping the Bolivian people conserve their rich tropical forests and biological diversity.

SECTION IV. Resource Requirements

As outlined in LAC's FY 1993 ABS submission to FA, assuming a continuation of the counter narcotics initiative, Bolivia will not become a maintenance level program until after FY 1995. USAID/Bolivia's program grew dramatically from FY 1989 to FY 1991. Key projects and programs were designed and staffing and other resources were mobilized during that period. Current project mortgages, the number of active projects in the portfolio, and uncertainties regarding fund availability (especially regarding ESF and NSD-18) underscore the importance of USAID/Bolivia's concentration on program implementation for the entire period covered by this Action Plan and beyond. Continued AID/W support is critical in providing the personnel and financial resources to fulfill the Strategic and Program Objectives the Bureau approved in 1992.

USAID/Bolivia has taken and will continue to take decisive measures to comply with directives to limit staff levels, ensure that project costs are not charged to operating expense resources (including trust funds), and, in general, streamline operations in order to conserve limited Agency operating expense funds. We are cognizant of the need for prudent resource management. We have made a concerted effort to manage a diverse and highly

complex development and counter narcotics portfolio within these constraints, without compromising on implementation, or on the ever increasing accountability standards being applied to our Agency.

With respect to the operating expense and staffing level implications of the program being outlined in this Action Plan, USAID/Bolivia feels confident that it will be able to effectively deliver proposed assistance without staff increases, and (excluding resources needed for MDC and DI support) within the operating expense levels proposed in our FY 1994 ABS. Although we have been able to meet our management and implementation responsibilities with only 80 percent of the FTEs suggested by the Bureau's U.S. Personnel to Program Model (23 FTEs in FY 1993 compared to the Model's suggestion of 30 FTEs in FY 1993, and 29 FTEs in both FY 1994 and FY 1995), we will have to analyze the implications of the 1 FTE cut in USDH level for Bolivia projected in the Bureau's ABS for FY 1994. However, we believe the following information should be taken into consideration as part of any discussion which could potentially impact upon these levels.

A. Program Funds

In addition to Alternative Development, AID/W strongly supported initiation of the Strengthening Democracy and Environment Strategic Objectives in FY 1991 and FY 1992, respectively. Assuming current OYB control levels for FY 1993 hold, at the end of FY 1993 the mortgages for our five AID/W approved strategic objectives will be:

<u>Strategic Objective</u>	<u>(\$ Millions)</u>
Alternative Development	126.7
Increased Non-coca Trade	27.7
Strengthening Democracy	7.8
Family Health	22.5
Environment	<u>17.0</u>
Total Mortgage as of 9/30/93	201.7

Not surprisingly, only a small fraction of the mortgage for our most recent strategic objectives has been financed. The Alternative Development mortgage remains high largely due to severe cuts in planned ESF/NSD-18 levels. For example, FY 1993 NSD-18 funding is being slashed from \$100 million to \$70 million.

Compliance with current control levels for FY 1994 and FY 1995 will be essential if USAID/Bolivia is to meet its strategic and program objectives within the planned time frame. Those controls call for:

<u>Funding Source</u>	<u>FY 1994</u> <u>(\$ Millions)</u>	<u>FY 1995</u> <u>(\$ Millions)</u>
Development Assistance	25.2	25.2
ESF/NSD-18	100.0	60.0
PL 480 Title III	20.0 ^{1/}	20.0 ^{1/}
PL 480 Title II	20.0 ^{2/}	20.0 ^{2/}
Total	165.2	125.2

1/ Includes \$5 million for ocean freight.

2/ Includes \$7 million in transportation costs, including ocean freight.

These DA and ESF resources will be allocated to our five Strategic Objectives as follows.

<u>Funding Source</u>	<u>FY 1994</u> <u>(\$ Millions)</u>	<u>FY 1995</u> <u>(\$ Millions)</u>
Alternative Development	97.6	59.5
Increase Non-coca Trade	7.8	9.8
Strengthening Democracy	4.6	2.9
Family Health	11.0	8.2
Environment	4.2	4.8
Total	125.5	85.2

These levels will permit liquidation of mortgages for the Alternative Development and Democratic Initiatives while we meet our strategic objectives within the currently planned time period.

We applaud the abolition of functional accounts. USAID/Bolivia's ability to take advantage of this increased flexibility in meeting pressing DA funding needs is severely constrained, however, by the proportion of DA funds which were earmarked, 75 percent. Based on the decisions reached at the Action Plan review, we hope the upcoming ABS will provide more of our DA budget as unrestricted funds.

ESF balance of payments levels and the PL-480 Title III program have a direct effect on local currency generations which have become a vital source of GOB counterpart contributions to projects and USAID's implementation strategy across the board. For example, the local currency contribution for the alternative development CORDEP Project alone is \$40 million. The failure of the GOB to meet its eradication target for the third \$22 million tranche disbursement under the 1992 balance of payments program will result in a disbursement of only \$2.3 million. The reduction of balance of payments assistance to approximately \$40 million in FY 1993 will further restrict local currency

obligations. Declining levels of local currency generations will soon necessitate a reexamination of how we do business and precipitate hard choices between seeking alternative dollar resources and/or reducing project funding.

B. Operating Expenses

The proposed FY 1993 Operating Expense level of \$6.7 million (excluding Section 636(c) requirements for the new building under construction), provides for funding of current staff levels and a variety of additional and one-time costs. These include, a recent 30 percent FSN wage increase, an estimated 10 percent inflation, non-636(c) costs associated with the construction of our new office building, NXP requirements after several years of deferring procurement, completion of the next stage of a LAN conversion, and several scheduled USDH post assignments. However, as reflected in our FY 1994 Annual Budget Submission, there is a need for higher FY 1993 operating expense resources than in previous years to fund FSN retirements and the costs of returning our current office space.

We may be required to fund an interim FSN retirement program, which for just this year alone would cost USAID/Bolivia \$245,000 for four (4) employees. These funds are not included in our FY 1993 budget request. This program was approved by State PER/FSN in January 1993 as a bridge, until such time as a viable GOB or Mission specific retirement program can be developed. USAID/Bolivia has deferred concurrence pending budgetary discussions between State and the LAC Bureau Controller. USAID/Bolivia highlighted this serious issue of unfunded FSN retirement in previous action plans. The issue of funding \$245,000 for four FSNs currently eligible for retirement is just the tip of the iceberg. The Mission has nearly 150 FSNs with an estimated \$4 to \$6 million in unfunded retirement benefits. The need to establish a contingency fund to finance retirement benefits is critical. We can no longer afford to ignore this major legally mandated expense.

Except for the unfunded retirement plan, we are confident that costs will come down after 1993. The new office building will eliminate the ever increasing cost of renting office space and general services and motor pool facilities. Reduced rental costs alone will save the Mission in excess of \$400,000 per year after calendar year 1993. We also have established a comprehensive system for ensuring that all project costs, from vehicle usage and customs clearances to office space and expendable property, are charged accordingly. Other cost-cutting measures are: in-house reupholstering, which allows us to exceed replacement standards and accommodate at least one additional family with each set of furniture; a preventive maintenance program for all appliances and vehicles; and a successful record of negotiating residential leases for four year periods at current prices, which

not only lessens the negative impact of a demand driven housing market which is escalating rental costs at an alarming rate, but also reduces housing start-up and turn-back costs.

With respect to trust funds, the Mission intends to negotiate a GOB contribution of 10 percent of the FY 1993 ESF balance of payments agreement. These funds, when added to our existing balance, should provide sufficient local currency to maintain the current operating expense dollar to trust fund ratio through FY 1995. However, the Mission would obviously prefer to move away from dependency on trust funds if additional appropriated operating expense resources were forthcoming. The current and projected sharp reduction in ESF financing for balance of payments support soon may leave us little alternative to increasing our demand on appropriated operating expense resources.

C. Staffing

Despite the past sharp increase in A.I.D. resource levels for Bolivia, USAID/Bolivia has operated with fewer USDH staff than suggested by the Bureau's model, and overall staffing levels have remained almost constant over the past three fiscal years. They went from 224 FTEs in FY 1990 to our current level of 226 FTEs. The Mission has maintained these levels through optimum utilization of current manpower and an aggressive cross-training program in individual offices. Periodic reviews of staffing patterns, such as a recent review of the ratios of professional/technical staff to clerical, have allowed us to shift positions between offices without exceeding a self-imposed ceiling of 226 FTEs.

The Mission is convinced that the implementation and monitoring responsibilities inherent in the program described in this Action Plan cannot be successfully met with a reduced staff presence. Great care and planning have gone into the establishment of a 226 FTE ceiling, which allows for prudent yet effective attainment of the U.S. foreign policy and development objectives established for this Mission.

The biggest staffing unknown is the MDC support role AID/W envisions for USAID/Bolivia. As discussed below, final decisions remain to be made regarding USAID/Bolivia's support role for MDCs and DI activities.

D. New Office Building

To date, the Mission has obligated the local currency equivalent of nearly \$5 million from local currency trust funds for the purchase of land and the construction of a new office building. An additional \$1.9 million local currency equivalent has been approved for FY 1993 funding to conclude the financing of the

construction phase of the project. The new building will represent considerable operating expense savings beyond 1993, but it should be fully understood that there will be substantial costs associated with the move, which must be funded from our FY 1994 dollar operating expense allowance.

Turn-back costs related to the return of the seven floors the Mission currently occupies, and our GSO and motor pool facilities, will be incurred in early FY 1994. Although contingent upon negotiations, the existing contract calls for return of the premises to their condition prior to our occupancy. This could involve removal and reconstruction of walls and partitions, removal of hard walls and security enhancements, substantial painting and refinishing, etc. These costs could be in the neighborhood of \$100,000. In addition, transportation costs involved in moving office furniture and supplies, and the cost of removal and reinstallation of our computer system, could be significant.

The Mission is calling attention to these costs at this time in order to clearly establish the need for continued extraordinary budgetary consideration through completion of the new office building. Considerable time and resources have been contributed to date, and the balance is absolutely critical to bringing this project to closure. The consolidation of the entire USAID/Bolivia mission in one location, including the General Services, motor pool, and storage facilities, will undoubtedly save significant operating expense resources in the future.

E. MDC Support

At the request of the LAC Bureau, USAID/Bolivia has agreed to provide Legal, Contracts, Controller, and possibly Executive Office services to the MDC missions in Chile and Brazil, in addition to Uruguay, Paraguay, and Argentina. At present, it appears that the transfer of responsibility will take place in early 1993. USAID/Bolivia and the MDCs concur that, if we are going to support them, we should be prepared to offer a level of service as close as possible to that which resident support offices would afford. A commitment of this nature will obviously involve some additional staff and funding resources. Bolivia also has been selected to backstop Democratic Initiative activities for Chile, Paraguay and Argentina. If this designation becomes effective in the near future, we will require operating expense funding to cover the assignment of personnel.

The Mission is confident that it can absorb a great deal of the additional work load with existing staff, particularly legal and contracts services. However, complete Controller's Office and Executive Office support cannot be provided without additional staff and funding from the Bureau.

The Controller's Office would like to provide the MDCs with a full range of financial management services, including assistance with ABS preparation, pre-award surveys and reviews of counterpart administrative and financial management capacity, local currency monitoring, internal control assessments, FAAS negotiations, audit resolution, vouchering and OE/project accounting and reporting. However, the office is currently stretched thin with only two USDH employees, no US PSC support, and a relatively lean FSN staff. In order to upgrade existing services to the level described above, and add Chile and Brazil, we would propose establishing a separate unit within the office, primarily dedicated to MDC support. However, this will require at least three additional FSN employees, and one experienced USDH or US PSC. The Mission would appreciate Bureau recognition that these 4 FTEs will be dedicated to nearly exclusive MDC support and, accordingly, should not be counted against the USAID/Bolivia ceiling in the future.

Regarding possible Executive Office support, the USAID/Bolivia Deputy Executive Officer position was deleted in FY 1992. If a full range of administrative support is to be provided to the MDCs, it would be crucial that this position be reinstated. At this time, we believe the support staff work load could be absorbed, but one additional USDH with substantial EXO experience would be critical to the success of the proposed support operation. Again, in fairness, this position should not be attributed to the USAID/Bolivia mission.

In order to fully support the MDCs, USAID/Bolivia will be required to purchase additional computer equipment, office furniture, supplies, etc., and fund increased communications, travel, salaries, and either USDH or US PSC costs. As with FTEs, the Mission would appreciate assurance that these MDC specific funds would be made available outside of the regular USAID/Bolivia operational budget.

TABLE 4
USAID/BOLIVIA
SUMMARY PROGRAM FUNDING TABLE
Dollar Program

Funding Category	FY93 Estimated	FY94 Requested	FY95 Requested
Development Assistance			
Alternative Development			
511-0000 Program Development and Support	100	200	200
511-0596 Micro Enterprise Development	0	1,701	1,000
511-0614 Alternative Dev. Electrification	5,000	0	0
511-0616 Technical Support for Policy Reform	1,000	1,500	3,500
Subtotal	6,100	3,401	4,700
Trade and Investment			
511-0000 Program Development and Support	100	250	250
511-0577 Industrial Transition	800	1,731	1,700
511-0580 Management Training	500	713	0
511-0585 Export Promotion	0	961	1,730
511-0631 Human Resources for Development	600	1,100	1,970
511-0632 Agricultural Research Foundation	0	1,000	1,000
Subtotal	2,000	5,755	6,650
Strengthening Democracy			
511-0000 Program Development and Support	120	250	100
511-0578 Planning Assistance OPG	350	0	0
511-0610 Democratic Institutions	1,000	0	0
511-0611 Bolivian Peace Schol. Prog.	0	900	600
511-0623 Special Development Activities	119	194	150

Funding Category	FY93 Estimated	FY94 Requested	FY95 Requested
Subtotal	1,589	1,344	850
Family Health			
511-0000 Program Development and Support	100	250	250
511-0568 Reproductive Health Services	1,650	1,650	1,650
511-0594 Community & Child Health	2,750	2,500	2,006
511-0607 Self Financing Primary Health II	1,200	1,400	1,686
511-0608 HIV/STDs Prevention and Control	1,000	1,000	1,000
511-0618 Care Community Development	1,300	2,450	0
511-0619 Interactive Radio Learning	1,000	900	1,085
511-0620 PVO Child Survival II	800	500	535
511-0624 Displaced Children	0	0	0
Subtotal	9,800	10,650	8,212
Environment			
511-0000 Program Development and Support	0	150	250
511-0621 Sustainable Forestry Management	3,000	3,900	3,000
511-0627 Environmental Awareness	0	0	1,538
Subtotal	3,000	4,050	4,788
Subtotal DA	22,489	25,200	25,200
Economic Support Fund			
Alternative Development			
511-0596 Microenterprise Development	1,050	0	0
511-0605 Economic Recovery	40,000	0	0
511-0606 Economic Recovery	0	70,000	0
511-0613 Drug Awareness and Prevention	1,500	1,500	1,220

Funding Category	FY93 Estimated	FY94 Requested	FY95 Requested
511-0614 Alternative Dev. Electrification	0	4,000	0
511-0617 Cochabamba Regional Development	20,000	18,500	13,555
511-0630 Economic Recovery	0	0	40,000
Subtotal	62,550	94,000	54,775
Trade and Investment			
511-0585 Export Promotion	4,450	2,000	3,925
Subtotal	4,450	2,000	3,925
Strengthening Democracy			
511-0626 Administration of Justice	3,000	4,000	1,300
Subtotal	3,000	4,000	1,300
Subtotal ESP	70,000	100,000	60,000
P.L. 480 Title III			
PL-480 Title II *	20,000	20,000	20,000
PL-480 Title III **	20,000	20,000	20,000
Subtotal	40,000	40,000	40,000
PROGRAM TOTAL	132,489	165,200	125,200

* Includes \$7 million for transportation costs, including ocean freight.

** Includes \$5 million for ocean freight.

SECTION V. Issues

A. Extension of the Andean Counter Narcotics Initiative.

The Cartagena Summit and NSD-18 anticipated that the Andean Counter Narcotics Initiative would run at least through 1994. Although much has been accomplished in Bolivia (for example, the third successive year of net reduction in coca production), the war on drugs is far from being won. What role will USAID/Bolivia have in counter narcotics after 1994 and will the necessary resources be forthcoming?

B. Funding for FSN Retirement Plan

The discussion of operating expenses under Section IV, Resource Requirements, above discusses the lack of a funded retirement plan for USAID's 150 foreign service national employees and State's plan for an interim program to fund FSN retirement benefits. Have necessary budget decisions been reached between State and the LAC Bureau Controller?

C. Local Currency Dependency

Although Bolivia is the poorest country in South America, GOB local currency contributions from generations under balance of payments programs to projects and to the operating expense trust fund have become a vital part of USAID's implementation strategy and operating expense and capital expenditure budgets. Indications are that significantly less resources will be available by the end of the Action Plan period to support balance of payments programs and generate local currency. What are the prospects that A.I.D. can provide appropriated funds for operating expenses to offset decreased local currency contributions to the trust fund?

D. FTEs for MDC Support

The discussion of MDC support under Section IV, Resource Requirements, above explains the need for three FSN-FTEs and one US-FTE (either for a direct hire or a PSC) in the Controller's Office and one USDH-FTE in the Executive Office to provide a full range of services for the MDCs. These should not be charged against USAID/Bolivia's ceilings or operating expense budget. When will the FTE ceilings and additional operating expense budget be available so USAID/Bolivia can provide a full range of services to its expanded universe of MDC clients?